

# THE DEPARTMENT OF STATE



# Bulletin

Vol. XXXIX, No. 994

July 14, 1958

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THE  
OFFICIAL  
WEEKLY RECORD  
OF  
UNITED STATES  
FOREIGN POLICY

THE DEPARTMENT OF STATE

# Bulletin

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## Geneva Technical Conference

*Following is the text of a letter of June 26 from the American Ambassador at Moscow, Llewellyn E. Thompson, to Soviet Foreign Minister Andrei A. Gromyko on the subject of the meeting of experts at Geneva on July 1, together with a Soviet aide memoire of June 25, a telegram sent by President Eisenhower on June 26 to the three U.S. representatives as they departed for Geneva, and a list of the U.S. participants.*

### U.S. LETTER OF JUNE 26<sup>1</sup>

Press release 356 dated June 26

EXCELLENCY: With respect to the Aide-Memoire which you handed me yesterday concerning the meeting of experts in Geneva, I have been authorized to inform you that the United States considers the aims of the Conference of Experts remain as determined in the exchange of correspondence between the Soviet Government and the United States Government and as confirmed by the Soviet agreement of June 24 and that so far as we are concerned the conference will proceed as agreed. Experts from the United States are already en route.

### SOVIET AIDE MEMOIRE OF JUNE 25

Official translation

On June 17, speaking at a press conference in Washington,<sup>2</sup> the Secretary of State of the United States of America, Mr. Dulles, made a statement concerning the role of the planned conference of experts of the USSR,

<sup>1</sup> Delivered by Ambassador Thompson on instructions from President Eisenhower in reply to the Soviet aide memoire of June 25.

<sup>2</sup> BULLETIN of July 7, 1958, p. 6.

USA, and other states for studying means of detecting nuclear explosions. As evident from the published account of the mentioned press conference, Mr. Dulles, answering the question would agreement of the experts about methods of inspection lead to the corresponding sides taking upon themselves the obligation of terminating tests of nuclear weapons, declared that the work of the experts must be carried out "without deciding the question beforehand whether or not the tests will be temporarily terminated."

It is impossible to agree with such a position of the Secretary of State of the United States of America. The conference will bring benefit only in that case if it leads to positive results. But how can these positive results be determined, if not with the fact that during the course of the work of the experts will be insured achievement of the final goal—universal immediate termination of experimental explosions of atomic and hydrogen bombs? Otherwise what sense is there in general in convoking such a conference and what sense is there in sending to it experts?

If the results of the work of the experts do not lead to the achievement of this final objective, then all of their work will be transformed into a fruitless waste of time. More than that, there is a basis for fearing that in such a case the conference of experts would be converted into a means for deceiving the peoples in whom would be instilled the false illusion that supposedly something is being undertaken with the purpose of bringing closer the termination of tests of nuclear weapons while at the same time in reality the matter would not be moving from its spot.

In connection with the statement of the Secretary of State of the United States of America a legitimate question arises—for what purpose was the proposal made about the conference of experts in the light of the mentioned statement of the Secretary of State, the conclusion suggests itself that this proposal was made in the expectation that the Soviet Government would reject it. But inasmuch as this did not occur, attempts are being undertaken to doom beforehand this conference to failure.

It is necessary to state directly that this tactic is not new but is known on the basis of past experience, especially in connection with negotiations on questions of dis-

armament. Not once after proposals of the other side were accepted by the Soviet Union, then everything possible was done not to permit agreement under the pretext that supposedly the reason for the absence of agreement is the intractability of the USSR.

The Government of the United States of America can hardly deny the fact that when it made the proposal about the meeting of the experts, then not only in the Soviet Union but in all other countries this proposal was understood in such a manner that it must insure the resolution of the mentioned principal problem—the termination of tests of nuclear weapons. Because of this the Soviet Government went to meet the desire of the Government of the United States of America and agreed with the proposal of President Eisenhower about the conference of experts. The Soviet Government had doubts in this respect, however it cast aside these doubts, being guided by the single desire—to utilize all possibilities for satisfying the hopes of the peoples demanding the immediate and universal termination of tests of the mentioned weapons. The will of the peoples is the principal thing by which, in the opinion of the Soviet Government, each government must be guided if it in fact aspires to assist the release of international tension, the termination of the armaments race, and the ending of the “cold war”.

Namely the necessity to terminate nuclear tests was placed at the basis of the agreement for the conference of experts and this agreement was fixed in the corresponding documents which were exchanged between the Government of the Soviet Union and the Government of the United States of America. From the beginning the discussion was not in general about a meeting of experts but about a meeting with the indicated concrete goal.

In the same declaration of the Secretary of State of the United States of America there was set forth another position which in essence annuls the position set forth in the messages of President Eisenhower—about the necessity to agree concerning control for the cessation of the tests of atomic and hydrogen bombs. It is impossible not to come to the conclusion that the essence of the position set forth by Mr. Dulles consists in making a meeting of the experts purposeless and thereby to discredit it. If the Government of the United States in reality takes such a position, if it does not wish that the results of the meeting of the experts should assure the cessation of the tests of nuclear weapons by all powers who dispose of them, then it is useless to send experts to this conference. In such a situation the Soviet Union cannot send its experts because it does not wish to be an accomplice in the deception of the peoples.

The Soviet Government would like to receive from the Government of the United States of America confirmation that the meeting of the experts must be subordinated to the resolution of the problem of the universal and immediate cessation of tests of nuclear weapons and that, in consequence, the goal of this conference remains such as it was formulated in the exchange of communications between the Soviet Government and the Government of the United States of America.

## TEXT OF PRESIDENT'S MESSAGE

White House press release dated June 26

Dr. JAMES BROWN FISK

*Idlewild Airport*

*New York, New York*

I send to you, Dr. Bacher, and Dr. Lawrence my best wishes as you depart for a Geneva conference designed to contribute to disarmament and peace. In view of the most recent expression of Soviet attitude you leave under uncertain conditions. But I and all the American people continue to hope that the door to understanding is still open. You are called on to play a significant part in a far-reaching project of deep concern to all mankind. We must, and shall, keep working at it. I want you and your associates to know that controlled disarmament is so vital that we are going to persevere in the face of whatever difficulties the Soviets may raise. Good luck.

DWIGHT D. EISENHOWER

## LIST OF U.S. PARTICIPANTS

Press release 353 dated June 25

Representatives to serve as experts from the United States at the technical conference on means of detecting nuclear test explosions scheduled to be held at Geneva beginning July 1, will be:

James Brown Fisk, executive vice president of Bell Telephone Laboratories and member of the President's Science Advisory Committee

Robert F. Bacher, professor of physics, director of the Bridge Laboratory, and chairman of the Division of Physics, Mathematics, and Astronomy at California Institute of Technology

Ernest O. Lawrence, director, University of California Radiation Laboratory, and a member of the President's Science Advisory Committee

In addition the three representatives from the United States will be accompanied by the following:

Hans A. Bethe, professor, Cornell University, and member of the President's Science Advisory Committee

Harold Brown, associate director, Livermore Laboratory, Livermore, Calif.

Perry Byerly, director, Seismographic Stations, University of California



Norman Haskell, Geophysic Research Directorate, Air Force, Cambridge Research Center  
 Spurgeon M. Keeny, Jr., Office of the Special Assistant to the President for Science and Technology  
 J. Carson Mark, director, Theoretical Division, Los Alamos Scientific Laboratory  
 Capt. John H. Morse, Jr., USN, special assistant to the Chairman, Atomic Energy Commission  
 Doyle L. Northrup, technical director, Office of Atomic Energy, Department of Defense  
 George B. Olmstead, assistant technical director, Office of Atomic Energy, Department of Defense  
 Carl F. Romney, assistant technical director, Office of Atomic Energy, Department of Defense  
 Herbert Scoville, Jr., consultant, President's Science Advisory Committee  
 Anthony L. Turkevich, Enrico Fermi Institute for Nuclear Studies, University of Chicago  
 Thomas B. Larson, Department of State  
 Donald Morris, Department of State  
 Ronald I. Spliers, Department of State

## U.S. Gives Soviets Facts on New York Demonstrations

*Following is the text of a U.S. aide memoire delivered by the American Embassy at Moscow to the Soviet Ministry of Foreign Affairs on June 25, together with an exchange of notes between the U.S. Mission to the United Nations and the delegation of the U.S.S.R. to the United Nations on the subject of demonstrations staged at New York before the headquarters of the U.S.S.R. delegation.*

### U.S. AIDE MEMOIRE

Press release 350 dated June 25

The Embassy of the United States of America desires to draw to the attention of the Ministry of Foreign Affairs a Tass report dated June 24 from New York entitled "Hostile Demonstrations Against the USSR Mission at the United Nations" which was published on June 25 in Izvestia, the official governmental organ of the USSR. In this article by Tass, the official news agency of the USSR, it is stated "It was known to the American authorities that the outrages were being prepared but they did not take any measure for their prevention. Moreover, the police present at the building of the Mission in reality encouraged the pro-

vocatory acts of the participants in the demonstration".

The Embassy wishes to point out to the Ministry that this report by Tass does not correspond to the facts. According to a report of the New York City police, there were present at the time of the demonstration on Sunday, June 21 [June 22], before the building of the Soviet United Nations Mission one Assistant Chief Inspector, one Deputy Chief Inspector, two Captains, 8 Sergeants, 80 foot patrolmen, one mounted Sergeant and 10 mounted patrolmen. At one point during the demonstration, the demonstrators succeeded in breaking through the police lines, despite the considerable efforts of the police to prevent this. During this fracas the Deputy Chief Inspector suffered a lacerated jaw, one mounted patrolman suffered head wounds requiring 7 stitches and two other patrolmen were injured. During this time an additional two superintendents from the detective division, 10 detectives and 20 additional patrolmen arrived to help preserve order. The police arrested 9 people.

The Embassy notes that following Soviet publication of reports of demonstrations before the Soviet embassies in Copenhagen and Bonn, demonstrations took place in Moscow before the Danish Embassy on June 20 and before the Embassy of the Federal Republic of Germany on June 23 which resulted in extensive damage to both buildings. In view of these facts the Embassy requests that adequate steps be taken to prevent any similar developments with respect to this Embassy.

### U.S. MISSION'S NOTE<sup>1</sup>

The United States Mission to the United Nations presents its compliments to the Delegation of the Union of Soviet Socialist Republics to the United Nations and has the honor to refer to the Delegation's note No. 380 received June 23, 1958, regarding the picketing of the Delegation's building on June 19, 21, and 22, 1958.

The Government of the United States categorically denies the charge that American

<sup>1</sup> Delivered on June 26 to the delegation of the U.S.S.R. to the United Nations at New York, N.Y. (U.S./U.N. press release 2948 dated June 26).

authorities encouraged the demonstrations and that the damage resulting from the demonstrations occurred with the sufferance of these authorities.

On June 22 there were over 130 New York City policemen at the building housing the USSR Delegation to the United Nations. The charge that the New York police authorities did not provide protection for Delegation property but actually encouraged the pickets is not borne out by the facts. In controlling the demonstrators and in protecting Delegation property, seven New York City police officers were injured, including a Deputy Chief Inspector. In addition, a number of picketers were injured when they attempted to break through police lines.

As a result of the demonstrations which occurred on June 21 and 22, twelve of the demonstrators were arrested and formally charged before the appropriate New York City Court.

The USSR Delegation's note concludes by insisting that the United States Mission and American authorities take measures to "prevent the holding in the future of any kind of hostile demonstration at the USSR Delegation's building." While the Government of the United States regrets that what began as peaceful demonstrations resulted in property damage, it cannot associate itself with any attempts to abrogate the constitutional right of residents of the United States to gather in peaceful assembly and to express their beliefs and convictions.

#### **SOVIET DELEGATION'S NOTE<sup>1</sup>**

Official translation

No. 380

JUNE 26, 1958 [sic]

The Delegation of the Union of Soviet Socialist Republics to the United Nations presents its compliments to the United States Mission to the UN and has the honor to communicate the following.

On June 19, 21, and 22, 1958 groups of hooligans and provocateurs organized demonstrations hostile to the Soviet Union in front of the building of the USSR Delegation to the UN. In the course of the demonstrations the participants indulged in hostile and insulting outcries with respect to the Soviet Union and the USSR Delegation and they insulted members of the Delegation in profane language. Moreover, without meeting with any counter-

action on the part of American authorities, on June 21 and 22 the demonstrators broke several panes in the windows of the Delegation building, causing thereby material damage. The hooligans threw stones and bricks into the building, thereby endangering the members of the Delegation who were in the building.

The USSR Delegation notes that the police, considerable forces of which arrived at the scene of the demonstration, failed to take sufficient measures to protect the Delegation from hostile actions and from the infliction of damage.

The USSR Delegation likewise takes note of the fact that the appropriate authorities of the USA not only failed to take measures to prevent or stop the demonstrations hostile to the Soviet Union, but actually they encouraged the hooligans, for after these acts of rowdiness, which took place on June 21 and which were accompanied by the breaking of the Delegation's windowpanes, the authorities permitted the hostile demonstration of June 22, in the course of which even more violent acts of rowdiness took place. The American authorities thus failed to ensure for the Delegation of the USSR the most elementary form of security, which is the direct responsibility of the authorities with respect to foreign diplomatic missions in accordance with the generally accepted international standards.

In this connection the USSR Delegation to the UN protests to the Mission of the USA against the hostile acts committed with the sufferance of the American authorities with respect to the USSR Delegation to the UN, which acts even caused material damage to the Delegation.

The Delegation lays the responsibility for the hooligans' acts of rowdiness upon the appropriate American authorities, which are allowing demonstrations hostile to the Soviet Union to take place at the building of the USSR Delegation in violation of the UN Headquarters Agreement between the United States of America and the United Nations.

The USSR Delegation to the UN insists that the Mission and the authorities of the USA take effective measures that will prevent the holding in the future of any kind of hostile demonstration at the USSR Delegation's building.

UNITED STATES MISSION TO THE UN,  
New York, N.Y.

### **Efforts for Release of Helicopter Crew and Passengers in East Germany**

#### **SUMMARY OF STEPS TO PROCURE RELEASE**

Defense/State press release 355 dated June 26

In view of public interest the following summary is provided of the steps thus far undertaken by the U.S. Government to effect the release of the

<sup>1</sup> Delivered on June 23 to the U. S. Mission to the United Nations at New York, N.Y.

two-man crew and seven passengers of the U.S. Army helicopter which accidentally crossed the zonal border between the Federal Republic of Germany and the Soviet Zone of Germany on June 7. As a result of operational difficulties the helicopter landed near Zwickau in the Soviet Zone. Despite repeated requests made by the U.S. authorities on the basis of existing agreements with the U.S.S.R., the men and the helicopter are still being held in the Soviet Zone. The Soviet authorities have to date refused to honor their responsibilities to return the men and the helicopter promptly to U.S. control, and the East German authorities have obstructed attempts to make arrangements for the release.

The following steps have been taken:

The United States Military Liaison Mission (USMLM) at Potsdam was alerted by the Headquarters, United States Army Europe (USAREUR), on June 7 to the helicopter's disappearance and instructed to approach the Group of Soviet Forces, Germany, for any possible information on the missing aircraft and its nine men.

The Soviets replied by telephone early the morning of June 8, advising the USMLM that the nine men were uninjured but the helicopter was damaged. The Soviets said that both the men and the aircraft were in the hands of East German authorities and that any requests for their return should be made to the East German government.

The USMLM the same day strongly protested to the Soviets that this was a military matter between the two forces and, as in past cases, should be handled by the Group of Soviet Forces, Germany.

Gen. Henry I. Hodes, USAREUR commander in chief, sent a personal note June 8 to General Zakharov, commander of Group of Soviet Forces, Germany, stating that he requested and expected that General Zakharov, his Soviet military counterpart, would insure the return of the helicopter and men as soon as possible. General Hodes added that the East German landing was assuredly unintentional.

Since General Zakharov had not replied to the June 8 note, Major General Suvorov, chief of the Soviet Military Liaison Mission in Frankfurt, was called by General Hodes to USAREUR Headquarters the afternoon of June 10. Suvorov was told that the incident was purely a military mat-

ter and that return of the men and helicopter was expected as soon as possible. General Hodes called attention to the provisions of the Huebner-Malinin agreement of April 5, 1947, which insures the Soviet and U.S. Missions of the right to protect the interests of their nationals in the zones of Germany. General Hodes told him that, if the situation were reversed, he would promptly return the helicopter and personnel. General Suvorov said he would transmit this to his superiors.

Col. Robert P. McQuail, chief of the USMLM, visited Colonel Sergeyev, chief of the Soviet External Relations Branch, on June 12 to request delivery of a box of Red Cross supplies to the nine men. Sergeyev replied that he could not assure delivery owing to "circumstances" and did not accept them.

General Zakharov's reply to General Hodes' June 8 note was finally delivered the afternoon of June 12 by General Suvorov. General Zakharov stated that the action requested was not within the province of the Group of Soviet Forces, Germany, but was solely within the competence of East German authorities. He added that the helicopter and its passengers had been apprehended and detained by the East Germans; hence it was not a military problem but one which fell within the competence of the East German government. General Hodes replied that this was a military matter which the Group of Soviet Forces, Germany, should handle regardless of who had custody of the U.S. soldiers and again reminded Suvorov of the Huebner-Malinin agreement. General Hodes also asked about the present whereabouts of the nine soldiers. General Suvorov replied he did not know. General Hodes further told him he was disappointed that the Soviets had ignored the United States Military Liaison Mission's repeated efforts to obtain their assistance in contacting the U.S. soldiers. General Hodes again asked how the USMLM could contact these men and return them to his command. Suvorov said he would ask his headquarters.

In accordance with arrangements made by Soviet authorities, Colonel McQuail, chief of the USMLM, met with the East German Deputy Foreign Minister, Otto Winzer, at 1000 hours June 14. Colonel McQuail, as a representative of the USAREUR commander in chief, asked that the nine men and the helicopter be returned as speedily

as possible. Colonel McQuail referred to the Huebner-Malinin agreement and pointed out that arrangements under the agreement for the return of personnel between the United States and Soviet Armies had worked effectively in the past. The sum of Mr. Winzer's reply was that he could negotiate only with a person possessing authority from the United States Department of State or the U.S. Government. At the meeting's conclusion arrangements were made to deliver the packages mentioned above to the Foreign Ministry for transmittal through the Red Cross to the nine men.

Colonel McQuail met with Mr. Winzer for the second time on June 16. Colonel McQuail told Mr. Winzer he was authorized to make appropriate arrangements to effect the immediate release of the men and plane. Colonel McQuail was handed a draft intergovernmental agreement prepared by the East Germans for signature by the "plenipotentiaries" of the U.S. Government and the "Government of the German Democratic Republic." Colonel McQuail replied that he would pass it on to his superiors. He also asked if he could visit the nine men. His request was refused. The next meeting was set for the following Wednesday.

Colonel McQuail met with Mr. Winzer for the third time on June 18. He advised Mr. Winzer that he had documentation from both the senior military and senior diplomatic representatives of the United States in Germany but that the draft agreement handed him 2 days earlier was wholly unacceptable. Colonel McQuail added that he was ready to meet all normal and reasonable requirements and that he had with him a receipt for the U.S. personnel. Mr. Winzer replied that he was not prepared to accept this procedure, and the meeting ended inconclusively. Mr. Winzer asked that a fourth meeting be held the next day.

A 30-minute meeting the following day (June 19) between the two principals ended on the same inconclusive note.

Also on June 19 General Hodes again sent a personal note to General Zakharov reiterating his demand of June 8 for the prompt return of the nine men and helicopter. The USAREUR commander reasserted General Zakharov's responsibilities under existing agreements to effect the return. He added that adherence to the Huebner-Malinin agreement is necessary if the respective liaison missions are to continue to carry out their assigned tasks. General Hodes further requested that Gen-

eral Zakharov assist the USMLM in visiting the nine men to ascertain their health and welfare and furnish them necessary personal accessories.

On Friday, June 20, Deputy Under Secretary of State Robert Murphy called in the Soviet Chargé, Mr. Striganov, acquainted him with the situation as described above, and requested that arrangements be made for the immediate release of the men and the helicopter. Mr. Murphy also handed Mr. Striganov an aide memoire on this subject.

On June 21 a further attempt to secure the release of the nine American soldiers and helicopter was made by Colonel McQuail, who met in East Berlin with Major General Tsarenko, Deputy Chief of Staff of the Group of Soviet Forces, Germany. The meeting resulted in a repetition of the previous stand taken by the Group of Soviet Forces, Germany, and a flat refusal to aid in contacting the eight officers and one enlisted man or to transmit relief supplies for them.

General Zakharov's reply to General Hodes' personal note of June 19 was delivered on the afternoon of June 23 to Headquarters, United States Army Europe. General Zakharov stated that he was not able to add anything to what had already been expressed in his note of June 11.

As of this time, no reply has been made by the Soviet Embassy here to the Department of State.

#### **TEXT OF U.S. AIDE MEMOIRE OF JUNE 20<sup>1</sup>**

On June 7, 1958 the pilot of a United States Army helicopter en route from Frankfurt to Grafenwoehr in West Germany inadvertently crossed the zonal border and made a forced landing near Zwickau in East Germany. The helicopter carried eight Army officers and one enlisted man.

On the following day, as soon as it was known where the aircraft had landed, the Commander-in-Chief of the United States Army in Europe, General Hodes, sent a note to the Commanding General of the Group of Soviet Forces in Germany, General Zakharov, expressing regret at this unintentional overflight and landing and requesting the return of the men and the aircraft to United States control.

<sup>1</sup> Handed by Deputy Under Secretary Murphy to Soviet Chargé d'Affaires Sergei R. Striganov.



On June 10, having received no reply, General Hodes asked General Suvorov, the Chief of the Soviet Military Liaison Mission to the United States Forces, to inform General Zakharov that a prompt return of the men and the aircraft was expected. General Hodes reminded General Suvorov of the Huebner-Malinin Agreement of April 5, 1947, which defines the functions of the Military Liaison Missions. Meanwhile, the Chief of the United States Military Liaison Mission, Colonel McQuail, repeatedly but unsuccessfully requested the assistance of the Soviet authorities in making contact with the United States personnel.

General Zakharov replied to General Hodes June 12 to the effect that this question was not a matter for the Soviet Forces but was "solely within the competence of the German Democratic Republic." General Hodes expressed to General Suvorov, who delivered the reply, his disappointment with the position taken by General Zakharov. He emphasized that this was a military matter with which General Zakharov was obligated to deal. He reiterated that the Huebner-Malinin Agreement gave the United States Military Liaison Mission the right to aid the United States personnel in question and asked how the Mission could make contact with the men and arrange for their return.

Colonel McQuail thereupon requested the Soviet military authorities to intervene with the local German authorities. This request was refused.

Colonel McQuail next requested that the Soviet military authorities put him in touch with the local German authorities with whom arrangements could be made for the release. The Chief of the External Relations Branch of the Soviet Forces, Colonel Sergeyev, on June 13 made an appointment for Colonel McQuail to discuss the return of the men and the aircraft with Mr. Otto Winzer, a Deputy Minister for Foreign Affairs, and arranged to have a Soviet officer accompany Colonel McQuail.

Colonel McQuail and Mr. Winzer have since had four meetings, on June 14, 16, 18, and 19, but these meetings have unfortunately produced no result. Colonel McQuail has shown documentation from both the American Ambassador and General Hodes confirming that he is fully authorized to undertake discussions and make arrangements for the return and has assured Mr. Winzer that he is

ready to meet all normal and reasonable requirements for doing so. He showed Mr. Winzer the form of a receipt which he or the officer accepting the men and aircraft would be prepared to furnish, and he offered immediate reimbursement of various expenses which had been mentioned by Mr. Winzer. Mr. Winzer, however, repeatedly obstructed the conclusion of arrangements for the return by interjecting procedural difficulties and raising extraneous political issues. Mr. Winzer made the co-operation of the local German authorities conditional upon the willingness of Colonel McQuail or other representatives of the United States to agree to unnecessary and unacceptable negotiations or formal agreements.

Under these circumstances, General Hodes gave General Suvorov on June 19 a memorandum for General Zakharov calling the latter's attention to the delay. He reminded General Zakharov of his responsibility under existing agreements and pointed out that the discussions with the local German authorities, which the Soviet authorities had arranged, had been unsuccessful. He reiterated his requests that the men and aircraft be returned immediately. He asked that, in the meantime, arrangements be made for Colonel McQuail to visit the men.

The Government of the United States wishes to draw attention to the arrangements worked out between General Clay and General Sokolovsky in August, 1946 providing for the immediate return of Soviet personnel who were arrested or detained in the United States Zone of Occupation, and of United States personnel who were arrested or detained in the Soviet Zone. These arrangements were supplemented by the Huebner-Malinin Agreement of April 5, 1947 relating to the activities of the Military Liaison Missions accredited to the Soviet and United States Commanders-in-Chief. Paragraph 14 b of this Agreement provides:

In each zone the mission will have the right to engage in matters of protecting the interests of their nationals and to make representations accordingly as well as in matters of protecting their property interests in the zone where they are located. They have a right to render aid to people of their own country who are visiting the zone where they are accredited.

Until the present incident, the procedures set up under these agreements for the return of military personnel of the two countries when arrested or detained have functioned effectively. Thus, in



the past year, the United States authorities have returned a Soviet soldier, Private Nikolai F. Rusanov, to the Soviet military authorities, while the Soviet authorities, only three weeks ago, returned three United States airmen to American control.

The Government of the United States views with grave concern the prolonged detention in the Soviet Zone of Germany of the military personnel and aircraft in question. It wishes to reemphasize the responsibility of the Soviet military authorities in Germany to see that the men and the aircraft are returned to United States control without further delay.

The Government of the United States therefore requests that appropriate instructions be issued urgently to the Soviet military authorities in Germany to assure that the United States personnel and helicopter are promptly returned to United States control in accordance with the long-standing mutual arrangements referred to above.

## Letters of Credence

### *Argentina*

The newly appointed Ambassador of the Argentine Republic, César Barros Hurtado, presented his credentials to President Eisenhower on June 23. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 341.

### *Libya*

The newly appointed Ambassador of Libya, Mansour Fethi el-Kekhia, presented his credentials to President Eisenhower on June 23. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 340.

## U.S. and Denmark Sign Amendment to Atomic Research Agreement

The U.S. Atomic Energy Commission and the Department of State announced on June 26 (press release 354) that the Governments of Denmark and the United States on that day signed an amendment to the agreement for cooperation between the two countries concerning the peaceful applications of nuclear energy which has been in effect since July 25, 1955.<sup>1</sup> Assistant Secretary of State for European Affairs C. Burke Elbrick and Atomic Energy Commissioner Harold S. Vance signed the amendment for the United States, and Ambassador Henrik de Kauffmann signed for Denmark.

This amendment was negotiated under the Atomic Energy Commission's revised policy of permitting the transfer of 90 percent enriched material for use in research and materials-testing reactors where such use is technically and economically justified and the core loading does not exceed 8 kilograms.

The amendment extends the term of the existing agreement with Denmark to 10 years. It will provide for the transfer of a maximum quantity of 50 kilograms of uranium in the fissionable isotope U-235 for the fueling and operation of research reactors. The great majority of this material will be utilized in the DR-2, tank-type research reactor to be located at the Danish research center at Risoe, 30 miles west of Copenhagen. The expected completion date is the fall of 1958.

The amendment will become effective after all of the statutory and parliamentary requirements of both nations have been fulfilled.

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<sup>1</sup> Treaties and Other International Acts Series 3309.

## Freedom of Ideas vs. Censorship

*by Andrew H. Berding*

*Assistant Secretary for Public Affairs<sup>1</sup>*

I start this address with the premise that between the Soviet Union on the one hand and the United States of America and our allies on the other there exists a military balance of power. Therefore there is little likelihood that the Soviet Union will launch a military venture.

I likewise start with the premise that the Soviet Union still cherishes its traditional design to dominate the world. This fact is frequently manifested by Premier Khrushchev, who predicts the inevitable victory of communism over capitalism and says on American TV that our grandchildren will live in a Communist state.

The Soviet Union, seeing no promise in military ventures, is now determined to achieve its ends through political, economic, and psychological offensives. Today I should like to speak only of the last—the psychological.

The attention of Americans has been drawn particularly to this field in the last 9 months—from the time on October 4 when the first Soviet Sputnik soared into orbit around the world. The propaganda implications of this achievement were immediately obvious. Then, and since then, many questions have been raised as to where we stand and where we are going on this battlefield of ideas.

Many of us who have been working in this field were asking the same questions and trying to find answers years before Sputnik roared into outer space. We recognized that the Soviets had developed an enormous propaganda machine. We

admitted their skill, their ruthlessness, their persistence. We analyzed their use of the Communist Parties in most of the countries of the world. We evaluated their appeals and approaches to foreign peoples, particularly those in less developed countries. We came to the conclusion that a strong and unremitting effort was required to meet the Soviets successfully on this important battleground.

Today a major effort is vital. The war in this field needs to be conducted with the same tenacity, vigor, and skill that we would use in countering any military offensive.

The Soviets start with certain advantages. I shall call these short-range advantages because I am confident that in the long run many of them will turn into disadvantages.

First is the fact that they have no regard for the truth. They can say one thing in one part of the world, something entirely opposite in another part of the world. They say to the French people that the United States wants to drive France out of Algeria so that American capitalists can take over. They say to the Algerians that the United States is in league with France to suppress their desire for independence.

Another advantage is that the Soviets can take action without consulting anyone, either at home or abroad. When we take an action or make a statement or send a communication to Moscow, we need to consult our close allies and perhaps all the members of a given mutual security arrangement, like NATO. That may result in delay, and it may require changes in deed or word. We also consult with other sectors of our own

<sup>1</sup> Address made before the annual convention of Civitan International at New Orleans, La., on June 24 (press release 343 dated June 23).

Government and with Congress. Before taking certain actions we may require authorizing and appropriations legislation from Congress. And in the process we must reveal our objectives and plans.

The Soviet Government does not have to go to its shadowy congress for appropriations for their propaganda effort. How much they spend for propaganda is anyone's guess, but it is undoubtedly several times our own expenditures. For instance, we estimate they spend more on jamming the Voice of America than the Voice of America spends on its total output. We know the approximate number of transmitters engaged in jamming, and our engineers can figure out the cost of operation.

#### **Government Control of Soviet Press**

One great advantage the Soviets have in overseas propaganda is the fact that they have a controlled press at home. You and I can be eternally grateful for the fact that we Americans have a free press. Our democracy could not live without it. Before I outline what a controlled press means to the Soviets, let me describe to you what is the situation in this respect. Two forms of censorship are drastically exercised in the Soviet Union. One is censorship of news and comment at its source, that is, suppression of news so that it is not printed in Soviet newspapers. The other is censorship of news and comment as foreign correspondents seek to send it abroad.

The Soviet press is officially characterized as the "arm of the Party." Its professed function is not to disseminate objective news but to support the policies of the Communist Party of the Soviet Union and the Soviet Government. Soviet information media employ a broad range of methods for shaping the news to serve this purpose. This runs the gamut from outright suppression of information to the printing of unrepresentative statements and half-truths, distortion of information, and slanted analyses.

Crime and statistics on crime and on the prison population are closely guarded secrets. Most newsworthy arrests are not reported. Trials in process are generally not printed. Disasters and accidents are not reported unless they involve casualties to foreigners. No information is released on sessions of the Communist Party

Presidium, even the fact that a meeting has been held. Meetings of the Central Committee plenums are announced only after they have been held, and no information is published on their deliberations. The process of reaching major policy decisions is kept from the public. Such decisions are announced by fiat and, of course, with no hint of opposing views.

Information on the reasons for major personnel appointments or dismissals is often not released. The dismissal of the head of the Soviet Government, Premier Bulganin, was announced simply with the statement that Nikita Khrushchev had taken over. Not a word was said as to why Bulganin was dismissed or what he would do. Last week Moscow announced the shocking execution of former Premier Nagy of Hungary and the three other Hungarian leaders without saying where or when they had been executed.

No meaningful statistics on the breakdown of the Soviet population by social groups and nationalities have been published for 19 years. Civil disorders, such as those at the Vorkuta slave-labor camp and at Norilsk in 1953 and at Tiflis in 1956, are never reported. Other expressions of dissatisfaction by the populace are generally not reported.

On the military side, the Soviets have made only 12 announcements of nuclear tests, although we know they have conducted many more. They have never given prior notice of a test, such as we do. No formal announcement of the most recent and extensive Soviet test series has yet been made. They announced their suspension of testing without mentioning that they had just completed a series of test explosions particularly heavy in fallout. While trying to make propaganda gains on the dangers of radioactivity, the Soviets have released no actual figures on fallout from their own or other tests.

They release no data on the numerical strength of their armed forces, the number of troops stationed abroad, the number of military personnel inducted or released from active service per year, and the number of warships, planes, and other equipment in use. Although the Soviet Government announced plans for troop reductions allegedly totaling 2,140,000 in 1955 to 1957, it has not revealed the extent to which these affected total force levels nor do we know if they were ever actually carried out. Troop movements, the

location of military maneuvers, and the location of troop units are not made public.

As for the military budget, only an overall figure allegedly representing total military expenditures is given in the published Soviet budget. No information is released on the allocations of this sum. No data are published on the relationship of Soviet military expenditures to the gross national product. The overall budget always contains a large unexplained difference between the total figure and the total of the specific allocations.

No failure of military or other tests is ever mentioned. I am convinced that, before the Soviets launched their first Sputnik, they had failures—but not a word about them was published. They probably had failures, too, during the interval of many months between the launching of their second Sputnik and the third.

On the economic side, comprehensive figures on the personal income and consumption patterns of the Soviet populace have not been released for years.

The Soviet Union publishes no absolute production figures for grain and most other agricultural products. They publish no statistics on the production of nonferrous metals, diamonds, asbestos, magnesite, pyrite, petroleum derivatives, merchant ships, civil aircraft, military equipment, and most chemicals. Efforts by foreign correspondents to get such information are branded as attempts at "economic espionage."

Wholesale industrial prices, agricultural procurement prices, and comprehensive figures on retail prices are not published.

On the international side, major statements by Western governments and political leaders are often ignored or distorted. Accounts of United Nations proceedings are warped beyond recognition. Accurate information on foreign living standards is carefully kept from the Soviet populace. Information on economic and social progress in Western countries is almost invariably suppressed.

Reductions in military strength by the Western Powers are not reported.

Accurate information on Western political institutions is not revealed.

One method of keeping international news from the Soviet peoples is jamming Voice of America, British Broadcasting Company, and other foreign

broadcasts. On recent TV appearances in this country Soviet Ambassador Menshikov has sought to convey the impression that it is not correct to say that jamming is continuing in the Soviet Union. Unfortunately he is mistaken. The Ambassador has gone to Moscow. I hope he tries to listen in Moscow to Voice of America broadcasts. His ears will tell him they are heavily jammed. Fortunately the jamming is not fully successful, and Voice of America broadcasts do get through to many parts of the Soviet Union.

You will note that the examples of suppression I have listed are common items of information. They are of a type routinely available to the public in Western democracies. To sum up, the suppression of information in the Soviet Union is all-pervading. One can only wonder what fears, what weaknesses beset the Soviet leaders to make them build a wall of secrecy and censorship between their own people and what to us is simple news or public information.

#### **Censorship of News From Moscow**

I come now to the second aspect of suppression of information. Censorship of dispatches by American and other foreign correspondents stationed in Moscow is constant and extensive. These correspondents, competing eternally with the basic suppression of news in the Soviet Union, have also to compete with the fact that, once they have painstakingly got hold of news or comment, they may not be able to get it out. In recent weeks Soviet censorship of foreign correspondents' dispatches from Moscow has become increasingly severe and arbitrary. This censorship is marked by two objectionable characteristics. One is deletion of material. The other is delay.

Recently the Soviets expelled on trumped-up charges U.S. Embassy Secretary John Baker.<sup>2</sup> All stories on this expulsion were eliminated.

A dispatch which contained nothing but a biography of General de Gaulle printed in the latest large Soviet encyclopedia was killed.

Two weeks ago the Soviet spokesman Ilya Ehrenburg held a press conference. He made statements opposing all censorship and specifically approved these statements for quotation by the correspondents. But just the same the censor

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<sup>2</sup> BULLETIN of June 16, 1958, p. 1005.



deleted from dispatches all material relating to censorship.

All stories were killed reporting that former Premier Bulganin's birthday had gone unnoticed this year.

At the time of the recent Warsaw Pact meeting any reference to the fact that the U.S.S.R. had had prewar nonaggression pacts with the Baltic states was deleted.

Stories were censored concerning the press conference on June 9 by an American delegation of women doctors visiting the Soviet Union under our official exchange agreement.

As for recent delays, there was a 17-hour delay in clearing Khrushchev's remarks at the British Embassy on June 12, and then only with some omissions. There was a 30-hour delay in clearing any stories on the resumption of public hearings in the Israeli-Soviet commercial arbitration case. There was a 24-hour delay in clearing press-conference remarks of a British "peace" delegation which had seen Khrushchev; and some of his reported remarks were deleted.

When correspondents send service messages to their home offices reporting their inability to file stories or explaining certain operating problems, heavy censorship occurs.

Incredible as it may seem, in a recent *Meet the Press* TV program Ambassador Menshikov attempted to make the point that there is no censorship in the Soviet Union. Fortunately one of the panelists was my friend Clifton Daniel of the *New York Times*. He had been a correspondent in Moscow; he immediately spoke up to say that his dispatches had been censored many times.

As long as there exists this censorship at source, keeping the facts from the Soviet people, and censorship at exit, there can be no true assurance of the friendly relations we want to see exist between our two countries. It is significant that, in the list of headings we handed the Soviet Foreign Office on May 31<sup>3</sup> as suggested items for discussion at a possible summit conference, we find mentioned under the title of "International Exchanges" the following subheadings: Cessation of jamming of foreign broadcasts; Censorship; Free distribution and sale to the public of books and publications; Free distribution and sale of foreign newspapers and periodicals.

<sup>3</sup> *Ibid.*, July 7, 1958, p. 12.

As President Eisenhower said at the summit conference at Geneva in 1955,<sup>4</sup>

... friendly understanding between peoples does not readily develop when there are artificial barriers such as now interfere with communication.

We believe that secrecy can lead only to misunderstanding, to an increase in tensions. We have made specific proposals based on this belief to eliminate obstacles to a free flow of information. We regret that the Soviet Government has, however, never accepted the proposal of the Western Powers at the Geneva Foreign Ministers Meeting in 1955 to eliminate censorship.<sup>5</sup>

We also regret that the Soviet Government, despite its allegations that it desires to decrease tensions and to increase friendly contacts among peoples, now has decided to strengthen the barriers it has erected against a free flow of information. Such action can only cause us to ask why the Soviet Government wishes to hide from the outside world the truth about the Soviet Union. It causes us to question the sincerity of repeated statements of Soviet leaders that they desire friendship and mutual understanding among peoples.

#### **How the Soviets Benefit From Censorship**

Having described, with examples, the censorship situation existing in the Soviet Union, I now want to show the benefits the Soviets draw from it in their overseas propaganda.

If you travel abroad, as I do when I go to international conferences with Secretary Dulles, you are often appalled at the news from the United States you find printed in foreign newspapers as compared with news from the Soviet Union. Item after item is concerned with murder and kidnapping, with the morals or lack of morals of Hollywood, with disaster, and with strife and conflict. This material is sent out by American and foreign news agencies. I am certain these news agencies select it on the basis of its news value, although I often wish they would adopt more the news standards of responsible newspapers and less the standards of sensational newspapers. And I am sure they would send equivalent news from the Soviet

<sup>4</sup> *Ibid.*, Aug. 1, 1955, p. 171.

<sup>5</sup> *Ibid.*, Nov. 14, 1955, p. 778.



Union if they had it, but the fact is the Soviets don't let them get it. The result is, you find a sharply unbalanced covering of news about the U.S.A. and the U.S.S.R. in the foreign press.

For instance, at the time of the Little Rock incidents, a veritable deluge of hundreds of thousands of words were cabled abroad. In the Soviet Union there have been instances of racial repression since the last war that make Little Rock look like a Sunday-school picnic. Many hundreds of thousands of men, women, and children have died in these repressive actions. But the American and foreign press have carried very little about them—probably less than 1 percent of all the material they carried on Little Rock alone.

Another advantage the Soviets draw from their controlled press in relation to ours is this: In our own press you daily find numerous instances of sharp criticism of the U.S. Government and its policies, either in the form of quotations from speakers or in the form of editorials. Soviet propaganda picks up these criticisms and uses them widely, giving the world the impression that our Government is assailed by a storm of opposition. Our own Government media, like the U.S. Information Agency, and the commercial media, like the news agencies, on the other hand, can carry no such criticism of the Soviet Government from Russian speakers or editorials. There are no such reports of speeches. There are no such editorials.

As a result of the contrasting positions of the press in the Soviet Union and the United States, we and foreign peoples hear much about our failures and little or nothing about Soviet failures. I am convinced the Soviets had failures before they put up the first Sputnik, but nothing came out of the Soviet Union on the subject. Yet our first failure with the Vanguard was trumpeted around the world by press and radio and newsreels.

#### **Characteristics of Soviet Propaganda**

Soviet propaganda is marked by certain interesting characteristics. First, it generally accuses and attacks. It seldom defends. It repeats accusations again and again.

Second, it tries to single out, in each country one government leader as a target for attack. In the United States it is Secretary of State Dulles. You can be sure that the Soviets attack him be-

cause they know he sees through their designs and seeks to thwart them.

Third, Soviet propaganda operates under the motto: divide and rule. It incessantly seeks to create dissension between the countries of the free world—dissension between the industrial countries and the less developed countries, dissension particularly between the countries united in mutual security agreements for defense against international communism. It also seeks to sow dissension between classes and groups within countries.

Fourth, Soviet propaganda follows the technique that might be called the "wave of the future." It seeks, as Khrushchev does in many of his statements, to make the world believe that the Soviet Union will surpass the United States in the production of this or that commodity and that capitalism is doomed to fall before communism.

Fifth, Soviet propaganda is a master of slogans regardless of substance. It has made great headway with its slogan of "ban the bomb" and the later one, "ban atomic testing."

At the base of all Soviet propaganda is the attempt to create the conviction that it is the Soviet Union that truly wants peace, while the United States and its allies want war. This note is forever being played on all the instruments of the propaganda orchestra.

Here the Soviets have the same advantage as did the prodigal son. Remember, it was he and not his brothers who got the special attention of their father. He had been the bad one, and he had repented. In the same way the Soviet Union, in the opinion of the majority of the people of the world, is the one that has created trouble. It took over one nation after another; it authorized the war in Korea; it savagely repressed the Hungarian uprising. Hence, when the Soviets talk peace, this is listened to more gratefully than when America talks peace.

We have had a higher standard of behavior throughout history, and therefore people of other countries expect more of us than they do of the Soviet Union. Moreover, we are a far wealthier nation; hence people look to us for greater economic benefits. And if they do not receive them, and in the amount they wish, they often express dissatisfaction, even resentment.

There is also the fact that we ourselves threw

off colonial rule. Therefore, peoples who are demanding independence often think we should be automatically on their side, regardless of what our relationships with other nations might be.

### Combining Words With Actions

In any attempt to evaluate the propaganda conflict it is important to keep in mind that results are produced much more by actions than by words. I would hazard a guess that words produce no more than 10 percent of the total impact; actions account for 90 percent.

The Soviets are skillful in combining words with actions. They got the utmost effect with Sputnik. In one of their first announcements on Sputnik they gave the time when it would be passing over Little Rock, which was then very much in the news, and over Bandung, which had been the location of the Afro-Asian conference 3 years ago, a conference the Soviets utilized greatly in their propaganda output.

We, too, know the value of combining actions with words. On our side, however, actions are taken to produce a beneficial effect, whereas on the Soviet side actions are often taken solely for propaganda effect. An outstanding example on our side is President Eisenhower's atoms-for-peace proposal to the General Assembly of the United Nations in December 1953. Another is his open-skies proposal in 1955. A more recent one was our proposal last month for international inspection of the Arctic area.<sup>6</sup>

One question frequently asked us in Washington is, who has the initiative in the war of ideas? I think the answer lies in what I just mentioned, that the real impact is produced by action, plus words. If we took words alone, it might seem the Soviets had the initiative because of the flood of letters, messages, statements, and the like that issues from the Kremlin. But in the field of action we have taken the initiative again and again.

I believe that at times the avalanche of words from the Kremlin reacts against them. This was true with the series of letters from Bulganin and then Khrushchev to President Eisenhower relating to the summit conference. That series raised doubts as to whether the Soviets want genuine settlement or desire a summit conference for other political and propaganda purposes. They seem to wish a conference that would give the world a

fictitious impression of agreement which would lead to a relaxation of the intent of free-world nations to remain strong and united.

### Where We Stand in the War of Ideas

I should like to conclude with a few observations as to where we stand in the psychological field.

There is no question of the great importance of winning the war of ideas. To do so we need to increase our effort and skill. We need to keep the psychological impact of our actions ever more in mind. We need to take additional actions that will produce an effect in the minds of men. We need to augment our long-range programs, such as the exchange of students, professors, and leaders of opinion. We need to find better ways to get the message of our life and ideas across to the peoples behind the Iron Curtain, particularly the Soviet peoples.

But, as we measure results, I think we should bear in mind what Secretary Dulles has said, that we are seeking not to be liked but to be respected. It is not easy for a powerful and wealthy country to be liked. No one, they say, likes a millionaire. But it is possible for a powerful and wealthy country to be respected. We Americans are too preoccupied that we are not better liked by other peoples. I think, in fact, we are better liked than we realize. Too often we take too seriously foreign editorial comment brought in by the news agencies as representing foreign public opinion. But the essential is that we be respected so that our policies may find adequate support. And I believe we have the respect of the foreign governments with whom we have to deal.

I believe that one factor in our favor is that there is a basic suspicion among other peoples, particularly among educated peoples, of what the Soviet Union does and says. I am convinced there is more disposition to place credence in our actions and words than in those of the Soviet Union. This is invariably reflected in voting in the United Nations.

I believe also that other peoples are more inclined to rely on American promises. Many peoples have had bitter experience with Soviet promises.

Most people, too, have at least a reasonably good idea that in the United States the dignity of the

<sup>6</sup> *Ibid.*, May 19, 1958, p. 816.

individual is more respected than in the Soviet Union. They feel that here there is devotion to the ideal of human freedom. Here there is respect for humanity and human life.

Our own press speaks all too frequently of Soviet propaganda victories. Let us remember that in recent years they have had propaganda disasters of major proportions. The uprisings in East Berlin and East Germany were one. The spontaneous revolt in Hungary and its brutal repression was another. The gradual drawing away of Poland was another. The breaking away of Yugoslavia was another. The constant flow of refugees from East Europe to West Europe, flee-

ing from Communist rule to freedom, is still another. A few days ago we had one more in the execution of former Hungarian Premier Nagy and the other Hungarian leaders. And within the Soviet Union the biggest disaster of all is yet to come as an irreversible trend of questioning of the Communist ideology grows and expresses itself as the people become more educated.

The struggle on this battlefield of ideas may go on for many years. But I believe that at any moment of major crisis we can count on the understanding of the majority of the peoples of the world and on the support of the governments whose help we need.

## Problems Facing the United States and the Western World

*Following is the transcript of an interview recorded at Washington between Secretary Dulles and Edgar McInnis, president of the Canadian Institute of International Affairs, which was telecast by the Canadian Broadcasting Corporation on June 23 and carried on CBC Radio on the same day.*

Press release 347 dated June 23

*Mr. McInnis: Mr. Secretary, it's a little over 5 years since you took office, and quite a number of things have happened in that time. Stalin has gone down, and Sputnik has gone up. We have had an uprising in Hungary and a number of other disturbing episodes. Do you think that has changed the basic problem that is facing the United States and the Western World?*

*Secretary Dulles: No, the basic problem, Mr. McInnis, is the problem created by communism, international communism, and its creed. Now, that hasn't changed, and the people who are running the Soviet Union and the Soviet-bloc countries, generally they are guided by a creed, and that hasn't changed. The creed is to dominate the world, and, while different personalities are called on to carry this out and while they have different techniques, the basic problem remains just the same.*

*Mr. McInnis: Now, the Soviet Union has been shifting both the focus of attack and the means*

*that it has used. Do you think that we need to change our methods of approach in the light of those circumstances?*

*Secretary Dulles: I think undoubtedly so. The Soviet Union has changed its methods very largely because we have blocked them off by what you might call the military method. Up until 1950 or thereabouts, during that postwar period of 5 years, they largely used the military method, and, as we built a military network of mutual security treaties all about the Sino-Soviet bloc, protecting the free nations there, they have found it less and less profitable to use the military method. Also, as their economy has developed and become stronger, they have relied more and more upon economic offensive—political-economic offensive—and we must take that into account, of course.*

*Mr. McInnis: Do you think that has made it more difficult for us to grasp the initiative—this new variety from the Soviet side?*

*Secretary Dulles: I think that there has been a little tendency on our part to stick too much with the military, as though that was the only reply that was required, and perhaps we haven't shifted as rapidly as we should have to meet this new political-economic offensive. But I think we are doing it pretty well now, and indeed there is no reason why we shouldn't do it very well because*

that is more in line with our practices and our past thinking, our capabilities, than the military is.

*Mr. McNinis: Sir, I was thinking of something you said earlier in the month,<sup>1</sup> that we are not drifting rudderless on the sea of change—we are guiding and influencing the course of change.*

*Secretary Dulles:* I think that we are. As I said at that time, the world is undergoing immense changes. You had this whole changeover from the colonial system to widespread independence of the 20 new nations and 700 million people since World War II. You're having the change that comes from the splitting of the atom and new sources of power. You have the change that comes from the fact that for the first time the world and man can use outer space. All these changes are coming, and we must adapt ourselves to them.

*Mr. McNinis: Now, on the political implications there, however, sir, what examples would you give of places where we definitely hold the initiative and are able to influence the course of events in that way?*

*Secretary Dulles:* Well, I think that we have the initiative in almost all of the free world and that that initiative is being challenged in certain places, as in the Middle East, perhaps in Indonesia, and in certain areas of Asia. I feel that in the main we do have the initiative. I think that almost all of the free-world countries would rather continue to be in the free world. But some of them get attracted to the other world by the fact that they have problems—you might say quarrels, perhaps—of their own, and they feel that by going on the other side, at least temporarily, they can get advantages to help them in what seems a very important matter. And they sometimes dally with communism in a way which we think risks their independence. They think they can do it without risk to their independence, and in that respect the Soviet Union has in certain spots gained certain advantages.

*Mr. McNinis: Of course, in that area too, sir, there is a nationalism that isn't directly connected with communism, although communism can some-*

*times profit by it. Doesn't that present a different facet?*

*Secretary Dulles:* Well, you know, back in 1924 Stalin made a lecture on what he called the problem of nationalism. And he explained there that the Soviet Communist technique would be to develop extreme nationalism to the point of causing some of these countries to break their relations with the West; and, having used extreme nationalism to break their relations with the West, then they would be ripe to be, as he put it, amalgamated in the Soviet bloc. And you can see that technique in operation. They whip up extreme nationalism to get countries to break relations with the West, as is evident in how independent they are and in the fact that in the process they destroy their own independence because, as we all say now—Harold Macmillan has picked the theme up very much—*independence today depends upon interdependence.*

*Mr. McNinis: Well, there have been occasions recently, I'm afraid, where the willingness to accept interdependence or to show any great affection for the West, and particularly for the United States, has not been very evident, has it, in Latin America, in the Middle East?*

*Secretary Dulles:* There are places where there are outbursts against the United States and where the radio and controlled press for various reasons are antagonistic to the United States. We deplore those things, and perhaps we can do more—I'm sure we can do more—to prevent them, but some of these—

#### **Adapting Our Methods to Changing Conditions**

*Mr. McNinis: Well, may I ask this, sir? That is what I was getting at. Do we need a reappraisal of our methods? What more should we be doing to effect this?*

*Secretary Dulles:* Well, our basic methods, I think, are sound enough. We don't need to change our methods. I do think we need to vitalize our methods and be sure that they are better adapted to changing conditions. We can't be stereotyped in these things. We have got to recognize that changing conditions involve changing methods; but from the beginning of our history—at least it's so stated in the opening paragraph of *The*

<sup>1</sup> For a statement by Secretary Dulles on June 6 before the Senate Foreign Relations Committee, see BULLETIN of June 23, 1958, p. 1035.



*Federalist* papers—it seems to have been reserved to the American people by their conduct and example to demonstrate to the rest of the world what can be done with a free society. And that basic concept still prevails. It's still up to us to demonstrate to the rest of the world, to persuade them. But, in a tactical way, we have always sought to improve our methods, and should. And it is particularly right to do it at a time when our methods are being perhaps misinterpreted by Communist propaganda.

*Mr. McNnis:* I'm reminded again, coming back to the Middle East, of a prescription from one State Department officer a while ago that "masterly inactivity" was about the best policy for the moment. Well, it is pretty hard to make inactivity masterly at the best times, and I don't know whether circumstances have allowed us to take a more vigorous stand.

*Secretary Dulles:* That is a good point, that inactivity is seldom masterly. But there is another fact, which is—and I have learned that through a long life of experience in international affairs—doing the right thing at the right time. That is the essential thing. The right thing at the wrong time often fails. You have got to time yourself right. And there may be occasions when it is better to wait and get the right timing rather than to rush in with the right thing at the wrong time.

#### **Prospects for Easing Tensions**

*Mr. McNnis:* Yes. In addition to this positive winning over of our friends to a greater solidarity, there is, of course, the other aspect of trying to ease the Soviet pressure by an easing of tension. Do you see much prospect of an easing of tension at the present time?

*Secretary Dulles:* I'm sorry to say that I do not. The Soviet leaders all the time are talking about easing tensions. They are always attacking me because they don't think I properly understand them. But they also, I'm sorry to say, are constantly doing the things that seem to prove that I was right after all. And when you see a shocking thing like this murder of, this so-called execution of Nagy, and so forth, and the Hungarian revolt of a year and a half ago, their refusal even to talk about the reunification of Germany, al-

though we agreed 2 years ago that there was a close link between the reunification of Germany and European security, and surely there is, but they say they won't even talk about it—so I don't see any actual demonstration on their part of a desire to relieve tensions. And I don't think it's really compatible with their basic doctrine to do so.

*Mr. McNnis:* You did suggest a while ago that there were certain carefully negotiated agreements, such as the Austrian treaty and the cultural exchange, that could be followed up in other ways. Do you think there are any of those that could even smooth over perhaps some of the antagonism without perhaps touching the basic issues that you have mentioned?

*Secretary Dulles:* I believe that there are areas perhaps in the field of armament where we could have some useful agreements. And I think the most useful field for agreement would be to set up some of these areas of inspection against massive surprise attack. This proposal that we made in the Security Council a month or so ago,<sup>2</sup> which was strongly supported by the Canadian Government, for having such an inspection zone over the polar areas—now, that really was something very constructive. We really hoped, and indeed up until the last minute believed, that something might be done with that. And I don't give up hope that things like that can be done. Now, I see in things of that sort perhaps the best immediate chance of doing something that will relieve tension because it will take away fear.

*Mr. McNnis:* Is trade another field where there is any possibility?

*Secretary Dulles:* I don't think that there is a great possibility of relieving tensions through trade. You see, the Soviet Union and the Communist bloc generally believe that trade is an instrumentality of politics. Khrushchev has said that in trade he is more interested in politics than he is in the economic aspects of it, and I believe that their trade is really an instrument of national policy and therefore does not provide a very good way for relieving tensions.

*Mr. McNnis:* Well, it looks then, doesn't it, as though we were going to have to face a two-power

<sup>2</sup> *Ibid.*, May 19, 1958, p. 816.



*world for a very considerable time if we can't make any substantial bridge that will bring us closer together?*

*Secretary Dulles:* I think that that is probable. Certainly we would be very ill advised to base our programs on the theory that this was a short struggle. Now, there are forces at work within the Soviet bloc which may lead to a modification of Communist policy and lead it to concentrate more upon promoting the welfare of the peoples within that bloc and less upon promoting the system all over the world. When that comes, then there will be a very great possibility of better relations.

*Mr. McNinnis:* Well, that is a fairly long-range problem, isn't it? It's not going to happen right away.

*Secretary Dulles:* It isn't going to happen right away. But I think nobody can say with confidence that it might not happen soon. I don't say we should count on this happening soon, but, when you think of the kaleidoscopic changes that have gone on within terms of personality within the Soviet bloc, I think it's quite conceivable that you can have someone there who would put more emphasis upon the welfare of the bloc peoples, upon the Soviet peoples, and less emphasis upon this external adventure business. As I say, it could come about soon. I don't think it's likely to because it would involve a certain departure from the basic Communist creed, but that creed is sufficiently flexible so it can be warped a bit, you know, in one direction or another.

#### **Pragmatic Formula for Recognition**

*Mr. McNinnis:* I'm wondering whether—because we dislike the present situation so much—whether we are almost unconsciously waiting for something like that to happen, instead of saying, well, there is going to be a Communist China for quite a while, there is going to be an East Germany because of the Russian stand, and at least adapting ourselves for pragmatic purposes to the situation as it is today.

*Secretary Dulles:* Well, I don't mind adapting myself for pragmatic reasons to the situation that exists. But what is a pragmatic reason? A pragmatic reason is presumably a reason which is going to serve your purposes and get you somewhere.

If you're talking about, for instance, recognizing Communist China, I can't see that it gets you anywhere to do so. There is no doubt but that it is a fact, but I question whether—when you magnify it yourself by giving it more influence and power and when it is hostile to you—that is meeting a pragmatic test.

*Mr. McNinnis:* Is there any parallel there to recognizing governments in South America that we don't like very much either?

*Secretary Dulles:* We recognize governments oftentimes whether we like them or not, but the primary consideration, I think, in terms of recognition, is: Will recognition serve to advance the interest of your own country? Recognition is not a right. No group has a right to be recognized. We did not recognize the puppet governments that were set up in Europe during the war. They were *de facto* governments. We did not recognize the puppet government that the Japanese set up in China, although it was in effective control. Why? Because it didn't serve our interests to do it. And I think you are entitled to take into account whether these things will actually serve your interest or not. I accept the pragmatic formula which you suggested.

*Mr. McNinnis:* Yes, sir. I'm just wondering, in the light of this picture, whether there is any chance for a coexistence of sorts that will enable us to get along with this pragmatic situation that we have?

*Secretary Dulles:* Well, I believe we are going to go on existing together. I believe that the way to do that best is not to have to pay tribute for it. What will we have to pay for coexistence? We have to pay a lot in terms of having an effective defense establishment, in terms of financing and backing mutual security programs and the like, but we shouldn't pay one cent as tribute. We have an old saying here, you know, "Millions for defense, but not one cent for tribute." Once you begin paying tribute, and once you have to say to the Soviets, "All right, if you will allow us to coexist with you, we will make this concession or we will make that concession," that moment you are lost.

*Mr. McNinnis:* But I wasn't thinking in quite those terms, rather in terms of perhaps modifying some of the things that we have suggested and

*going a little farther at least to test out the willingness of Russia to make some kind of a response in disarmament; for example, in even suspension of nuclear tests, could we go a little farther than we have done?*

*Secretary Dulles:* Well, I think we have gone quite a ways. Now, you know, we are sending our experts over to Geneva to be there on the first of July to talk about the technical requirements to suspend testing. We have made all sorts of proposals about setting up these areas of inspection against surprise attack. I think we are pretty flexible in this field of armament. And, of course, as far as the reunification of Germany is concerned, we have made also a whole series of proposals there designed to make it clear that reunification would not increase the military peril to the Soviet Union. They say now, in the last note of Mr. Khrushchev, it's an insult to them to suggest that they need any protection. But there is a certain inconsistency, I think, in their point that they don't want to have Germany reunified in NATO because that would increase their danger and then saying they don't want to have any protection against that danger because they are so powerful they can take care of it themselves.

*Mr. McInnis:* *If this is the basis for coexistence, we obviously must have to maintain our current strength, as you suggest. How long can we go on? Are there not signs of relaxing when the pressure of immediate fear is removed?*

*Secretary Dulles:* Yes.

*Mr. McInnis:* *Would perhaps negotiation itself tend to relax the guard of the West?*

*Secretary Dulles:* Well, I think undoubtedly one of the motivations back of the Soviet leaders' demand for a summit conference is the hope that by getting there and exchanging platitudinous words of good will the impression would be created in the democratic countries that the danger was over and therefore they did not need to spend more money for defense and mutual security and the like, whereas in the case of the Soviet Union, where the Government actually is not dependent upon popular support, they could go on just the same. And that is one of the dangers we have to look out for. But I think, in general, there is no reason to assume that the free-world nations cannot maintain for a long time an adequate military

deterrent. After all, they have an industrial productivity many times that of the Soviet Union and the relative burden upon them is much less than upon the Soviet Union.

#### **A Growing Free-World Community**

*Mr. McInnis:* *I was not thinking of capacity so much, sir, as of will and of a determined realization that this was necessary. And that made me wonder whether, if the danger of immediate attack diminishes, you don't want something more positive in its place in the way of a binding force, a sense of community within. Is that growing within—*

*Secretary Dulles:* A community within the free world?

*Mr. McInnis:* *Within the free world, and particularly within the Atlantic world.*

*Secretary Dulles:* I figure it is growing. And we certainly need it. There is no doubt about that. Of course, one of the hardest things, a thing that has in the past often been regarded as impossible, is to hold together an alliance when the danger of immediate attack or when the existence of actual war is over.

*Mr. McInnis:* Yes.

*Secretary Dulles:* At the last meeting at Copenhagen we expressed there the sentiment which was held by all of the members, that by developing NATO as a place where there was consultation and exchange of views we were creating something there. It was not just a military defensive organization. We were creating something new, almost, in history in drawing nations together—and independent nations—but nations who had enough regard for each other's views so that we sat down and talked over our problems together. And that is a very important problem.

*Mr. McInnis:* *Lord Montgomery suggested a short time ago we were still thinking of NATO's purposes as a military deterrent and now we were being outflanked by economic infiltration in other areas and that we really hadn't a policy for that.*

*Secretary Dulles:* Well, in the military sense I think we have pretty well coped with the situation. Now, of course, economic-political offensives don't have any necessary geographical boundaries. You can conduct those things at a distance. You can

leapfrog—go over the military lines. And there is certainly an intensification of that kind of a campaign. It's really nothing new. It has been planned by the Soviet Union for a long time, but they have only recently had a sufficient breakthrough in their own economic and industrial situation to be able to do that very effectively.

I notice that Stalin, in a speech he made nearly 20 years ago, said that in their foreign policy their primary reliance was upon their growing economic, political, and cultural strength. He put that as number-one 20 years ago. And they are doing that. And I think that we ourselves have got to be more responsive than we have been to meet that. But I think we have got to be more responsive, not only to meet the Soviet threat but to meet the new conditions of the world. We should be meeting them even if there wasn't a Communist threat.

#### **Canada's Role in the Western Alliance**

*Mr. McInnis: Now, Canada of course is extremely interested in this, sir. We sometimes wonder what our position is. Are we simply auxiliaries, or do we have a special role in the Western alliance?*

*Secretary Dulles: Well, Canada has a special role in a number of respects. Of course, from a military standpoint, Canada, occupying the northern portion of this continent, has an extremely important part to play. The nations of Europe, basing themselves on past history, think, if another war should start, they would be the first targets. I think some of us feel that, if another war were to start, it could be over the Pole, and indeed Khrushchev suggested that in one of his recent messages.*

In Canada, as one of the members of NATO which is on this side of the Atlantic with the United States, we have a special role together to point out to our European friends that the danger is not just to them, that we have got some problems over here. And we would be glad, on our side, to help point that out.

*Mr. McInnis: We feel, of course, that we have a responsibility too. In fact, sometimes we feel our responsibility is a good deal larger than our influence. Is Canada listened to, for example?*

*Secretary Dulles: I can assure you that at every meeting that I have been to, whether it is at the*

United Nations or NATO, Canada is listened to. Now, we are in some organizations where, unfortunately, Canada isn't—the Organization of American States and many of our Pacific organizations—so that we have certain responsibilities in certain parts of the world that Canada doesn't share with us. But wherever we are sharing them together, the voice of Canada is heard—

*Mr. McInnis: Well, we occasionally—*

*Secretary Dulles: —and heeded.*

*Mr. McInnis: Thank you, sir. We occasionally have, of course, some differences of approach with the United States. Have we ever managed to change the American point of view or the American decision?*

*Secretary Dulles: You have, indeed.*

*Mr. McInnis: Could you give us examples?*

*Secretary Dulles: Let's take the most controversial thing, perhaps, of all—that is our wheat disposal policy. Now, I know that doesn't work to your complete satisfaction. But I do know this, that we do have a system whereby we talk these things over together and that has resulted in a very considerable modification of our practices. As I say, we don't quite meet your viewpoint, but I can say that the way we act in that matter is totally different from what it would be if we did not have Canada as a partner with whom we talked these problems over. It would be catastrophic to you if we didn't pay attention to some of your views.*

*Mr. McInnis: It could be, very definitely, and sometimes, of course, we feel we come down here and get pretty dusty answers on tariffs and even on wheat disposal, although I recognize that some of that is not directly the administration but Congress. And the problem of Congress in our relations is a very real one to us.*

*Secretary Dulles: Well, we have problems with the Congress; even the State Department occasionally has problems with the Congress.*

*Mr. McInnis: You sometimes have to negotiate with the Senate as a foreign power almost?*

*Secretary Dulles: We have problems with the Congress. But I do believe this, that by and large, if you look at what Congress has done over recent years—the past 30 or 40 years—I think you will*

feel that Congress has followed in the main pretty enlightened policies. There has never been any country in the history of the world which has done as much over these recent years, I think, as the United States has done and has done it in all cases with the basic approval of the Congress. And, while we have our differences, I am not one to say that Congress has not also in the main been pretty enlightened. We struggle along, but we generally come out with a reasonable result.

*Mr. McNinis: Well, we have been trying to find some way that will give us an assurance, for example, against a repetition of the Norman case,<sup>3</sup> and we don't seem to be able to get anything very definite there, apparently again because of this separation of powers.*

*Secretary Dulles: That is quite true. The Executive cannot give a promise which is binding on the Congress. Now, under your parliamentary system, where your Executive is identified with and a part of a parliamentary majority, you can do these things much more easily; but, as you point out, the separation of powers in our Government makes those things more difficult for us.*

*Mr. McNinis: Isn't it, however, from our point of view, rather an obligation on the part of the administration to use its influence where it has no actual constitutional authority? Influence must certainly be substituted.*

*Secretary Dulles: I think that the facts are that we do do that. Now, sometimes influence is more effective if it isn't published. But I think you can be confident that our influence with the Congress is exerted in ways of which you would approve.*

*Mr. McNinis: Is there anything, sir, that we should be doing on our part to keep good relations going? We try to be self-critical on this.*

*Secretary Dulles: Well, let me say this, Mr. McNinis. I would not myself have any complaint against Canada that I want to voice. We have our little differences, and we talk them over quietly and privately. But, by and large, the policies of Canada and the United States, I believe, go along in parallel lines side by side, and in all the big issues we are together.*

*Mr. McNinis: Thank you very much, sir. This has been most kind.*

## United States and India Sign \$75 Million Loan Agreements

Press release 346 dated June 23

Negotiations implementing the United States decision, which was announced at Washington on March 4,<sup>1</sup> to extend loans to India totaling \$225 million for use in connection with that country's economic development program were completed on June 23 with the signing at Washington and New Delhi of U.S. Development Loan Fund agreements aggregating \$75 million. An earlier agreement, signed at Washington June 12, between the United States and India had previously made available the initial loan of \$150 million of this program through the Export-Import Bank of Washington.

At Washington on June 23 Dempster McIntosh, manager of the Development Loan Fund, for the United States, and H. Dayal, Chargé d'Affaires of the Indian Embassy, for his Government, signed a \$40-million DLF loan agreement to help finance railway improvement in India. Mr. McIntosh, in signing the agreements, indicated that this loan will permit the procurement of steel to produce approximately 20,000 freight cars, 300 steam locomotives, 2,500 underframes, and other facilities. The rolling stock will be manufactured principally in privately owned plants.

At the same time at New Delhi, U.S. Ambassador Ellsworth Bunker and India's Finance Minister, Morarji Desai, signed a loan agreement making available an additional \$35 million in DLF funds to help India finance development projects in road transportation and the cement and jute industries, all of which will be in the private sector. Of this amount, \$25 million will be used to finance the acquisition of approximately 16,000 trucks, jeeps, and buses, or components for their manufacture; \$5 million for equipment to expand India's cement industry; and \$5 million for equipment to modernize and expand India's jute industry.

<sup>3</sup> For background, see *ibid.*, Apr. 29, 1957, p. 694, and Sept. 2, 1957, p. 384.

<sup>1</sup> BULLETIN of Mar. 24, 1958, p. 464.



## **Funds Appropriated for Building Panama Canal Bridge**

Press release 352 dated June 25

Fulfillment of another important U.S. treaty commitment to the Republic of Panama has been assured with enactment of legislation appropriating an additional \$19,250,000 to build a high-level bridge over the Pacific end of the Panama Canal. Under the provisions of the treaty of 1955 with Panama,<sup>1</sup> the Government of the United States agreed to seek the legislative authorization and necessary appropriations for construction of a bridge at Balboa, Canal Zone.

Preliminary work on the bridge began last year with the appropriation of \$750,000, after its construction was authorized by the act of July 23, 1956. The new moneys will enable actual construction to proceed on the bridge, which will join eastern and western Panama and eventually form an important link in the Pan American Highway system.

The \$19,250,000 item was included in the appropriation bill for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, which the President signed on June 25.

## **U.S. Lends \$2,300,000 to Ecuador for Inter-American Conference**

Press release 360 dated June 27

The U.S. Government announced on June 27 a loan of \$2,300,000 to Ecuador to help finance dollar costs of construction materials and equipment for an assembly hall and other facilities for the Eleventh Inter-American Conference to be held at Quito, Ecuador, late in 1959 or early in 1960. After the conference the hall and facilities will be used by the Ecuadoran Government. At a ceremony held in the Department of State, Roy R. Rubottom, Jr., Assistant Secretary for Inter-American Affairs, and Dr. José R. Chiriboga, Ambassador of Ecuador, exchanged diplomatic notes constituting a loan agreement between the two Governments. The loan is being made by the International Cooperation Administration.

<sup>1</sup> For text of the Treaty of Mutual Understanding and Cooperation, see BULLETIN of Feb. 7, 1955, p. 238.

The Inter-American Conference is the supreme organ of the Organization of American States and is usually attended by the foreign ministers of the 21 American Republics. The Tenth Inter-American Conference was held at Caracas, Venezuela, in 1954. At that meeting Ecuador suggested that it be designated as host for the next Inter-American Conference, and this suggestion was accepted by the other American states.

## **United States To Send Wheat to Lebanon**

Press release 362 dated June 27

The Department of State announced on June 27 that the United States will send 65,000 tons of wheat to Lebanon to relieve an emergency food situation there due to crop losses from drought.

An agreement under which the U.S. wheat will be made available was signed on June 27 by Nadim Dimechkié, the Lebanese Ambassador. The grain, which will come from surplus stocks of the U.S. Commodity Credit Corporation, will be supplied to Lebanon under the emergency provisions of title II, Public Law 480, the Agricultural Trade Development and Assistance Act.

Arrangements are now being made by the International Cooperation Administration to ship the grain to Lebanon in the soonest time possible.

## **United States and Ceylon Sign Development Loan Fund Agreement**

The Department of State announced on June 24 (press release 348) that the Development Loan Fund on that date made available \$1.6 million to Ceylon to help finance irrigation and land-development projects and to repair damages caused by recent floods.

A formal agreement lending the funds to Ceylon was signed for that Government by R. S. S. Gunewardene, Ambassador of Ceylon, and for the United States by Dempster McIntosh, manager of the Development Loan Fund. Authorization for this loan had been announced on May 20, 1958.<sup>1</sup> The loan is repayable over a period of 20 years.

<sup>1</sup> BULLETIN of June 23, 1958, p. 1055.



## **U.S. Loan To Help Greece Build Fertilizer Plant**

Press release 344 dated June 23

The Development Loan Fund announced on June 23 that it has agreed to lend \$12 million to assist Greece in establishing a nitrogenous fertilizer plant which has been one of the highest priority projects proposed under the new 5-year development program of the Greek Government.

The plant, for which Greece requested U.S. assistance, will utilize the lignite deposits being mined at Ptolemais in northern Greece in one of the most underdeveloped areas of the country. It is expected to provide 1,000 jobs directly in the factory, save on imports up to \$15 million annually in foreign exchange, and provide low-cost fertilizer to the Greek farmer. The plant will be operated by power generated at a new thermal station being built by the Public Service Corporation of Greece to draw on the indigenous lignite deposits as a source of power.

Estimated annual production of 75,000 tons of fixed nitrogen, or the equivalent of 300,000 tons of finished nitrogen-based fertilizers, is expected to meet Greece's immediate demands for this type of fertilizer. Production will include 25,000 tons each of ammonium sulphate and ammonium nitrate-cal and 5,000 tons of liquid ammonia. The total capacity will provide almost all of Greece's estimated requirements of 77,000 tons of fixed nitrogen by 1960. At present virtually all of Greece's fixed nitrogen has to be imported.

The DLF funds will assist in the financing of the foreign-exchange costs necessary to construct the plant. The loan, the first for Greece under the new DLF program, would be repayable in Greek currency over a period of 12 years. Negotiations are now proceeding to conclude arrangements for formal signing of a loan agreement.

## **President Suspends Consideration of Lead and Zinc Tariffs**

White House press release dated June 19

The President announced on June 19 that he was suspending his consideration at this time of the recommendations of the U.S. Tariff Com-

mission in the escape-clause case involving lead and zinc.

A final decision would be appropriate, the President said, after the Congress completed its consideration of the minerals stabilization plan presented with his approval by the Secretary of the Interior. Early action by the Congress on this plan, which offers a more effective approach to the problems of the lead and zinc industries, would help assure a healthy and vigorous minerals industry in the United States.

The President set forth his conclusion in identical letters to the chairmen of the House Ways and Means and Senate Finance Committees.

### **Letter to Chairmen of Congressional Committees<sup>1</sup>**

JUNE 19, 1958

DEAR MR. CHAIRMAN: Under Section 7 of the Trade Agreements Extension Act of 1951, as amended, the United States Tariff Commission reported to me on April 24, 1958, its finding that the domestic producers of lead and zinc were experiencing serious injury. The Commission was evenly divided on its recommendation for remedial action. Three of the Commissioners recommended maximum increases in tariffs with quantitative limitations. The other three Commissioners recommended an increase in tariffs to the 1930 rates without quantitative limitations of any kind.

I am suspending my consideration of these recommendations at this time. A final decision will be appropriate after the Congress has completed its consideration during this session of the proposed Minerals Stabilization Plan which was submitted by the Secretary of the Interior with my approval. This Plan offers a more effective approach to the problems of the domestic lead and zinc industries, and in view of their urgent needs, it is hoped that the Congress will act expeditiously on this Plan to help assure a healthy and vigorous minerals industry in the United States.

Sincerely,

DWIGHT D. EISENHOWER

<sup>1</sup> Addressed to Harry Flood Byrd, chairman of the Senate Committee on Finance, and Wilbur D. Mills, chairman of the House Ways and Means Committee.

## President Asks for Congressional Approval of Agreement With European Atomic Energy Community

### DEPARTMENT ANNOUNCEMENT

The U.S. Atomic Energy Commission and the Department of State announced on June 23 (press release 345) that President Eisenhower had on that day transmitted to Congress and asked early approval of an international agreement between the United States and the European Atomic Energy Community (EURATOM).<sup>1</sup> Under the United States Atomic Energy Act, congressional approval of this instrument is necessary prior to entering into a U.S.-EURATOM agreement for cooperation, which would embrace a one-million-kilowatt joint program of nuclear power development.

This program involves the construction by 1963 in the six EURATOM countries—Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, and the Netherlands—of approximately six large-scale nuclear power plants based on United States-type reactors. This would provide sufficient electrical generating capacity to meet the power requirements of more than 5 million people in the EURATOM area.

In submitting the international agreement the President sent a special message to Congress describing the importance of this undertaking to the United States and EURATOM. The proposed cooperative program would open the way to using nuclear power in Western Europe to help meet their rising demands for energy.

As current costs of electric power in Europe are higher than in the United States, nuclear power will be economical earlier there than in the

United States. Thus the experience gained through the construction and operation of nuclear plants based on reactors of United States design will be an important factor in accelerating the development of nuclear power in the United States. Maximum support by industry in this country and in the EURATOM nations is considered essential to the success of the venture.

In addition, this program should contribute substantially to the success of EURATOM with resultant increase in the strength and solidarity among the free nations of the world. Cooperation with Europe to the end of continuing economic growth has long been a major element of United States foreign policy. The joint nuclear power program with EURATOM is expected to provide new horizons for further economic and social advances in an integrated Europe. The United States welcomed the formation of the European Atomic Energy Community as an important step toward this goal.

With the approval of the President, the United States began in January 1958 to explore the possibility of reaching agreement with EURATOM on a program under which existing utilities in the EURATOM nations would build and operate nuclear power plants using equipment produced in the United States and the EURATOM area. The program worked out involves a joint research and development effort, availability of enriched reactor fuel from the United States, mutually satisfactory safeguards and controls so that both EURATOM and the United States may be assured of the peaceful purposes of the joint program, and long-term credits to EURATOM.

The establishment and initiation of the cooperative program are subject to several statutory steps of which the international agreement is the first. Following approval of this agreement, an

<sup>1</sup> For text of a joint statement released at Washington and Luxembourg on Apr. 3, 1958, at the conclusion of meetings of a joint U.S.-EURATOM working party, see BULLETIN of Apr. 28, 1958, p. 709.

agreement for cooperation with EURATOM in incorporating the details of the plan will be placed formally before the Joint Committee on Atomic Energy. Congressional approval of authorization and appropriation of funds and certain other enabling legislation will also be required for the United States to carry out its share of the joint program.

The competent bodies of the EURATOM Community (the EURATOM Commission and the EURATOM Council of Ministers) already have taken their necessary statutory actions.

The President in his message to the Congress stressed the urgency in launching this cooperative effort in the peaceful uses of the atom as soon as possible. In the face of challenges to the West, this program offers heartening evidence of the fundamental unity of purpose for the common good which exists among the free nations of the world today and illustrates our basic desire to concentrate on harnessing the atom for peaceful purposes.

Attached is an outline of the proposed program.

#### OUTLINE OF PROPOSED UNITED STATES—EURATOM PROGRAM

##### A. Objectives

1. The aim of the joint program will be to bring into operation in the Community by 1963 about one million electric kilowatts of installed nuclear capacity, in reactors of proven types developed in the United States, and to initiate immediately a joint research and development program centered on those reactors. The program would be conducted so as to obtain maximum support of the industries of the Community and of the United States. Their active participation is indispensable to the success of the program.

##### B. Major Features

1. The total capital cost, exclusive of fuel, is estimated not to exceed \$350 million. These funds will be provided for by the participating utilities and other European sources of capital, such financing to be arranged with the appropriate assistance of EURATOM. Up to \$135 million would be provided by the United States Government to EURATOM in the form of a long-term line of credit from the Export-Import Bank. These funds will be re-lent by EURATOM for the construction of nuclear power plants under the program.

2. The nuclear power plants under the program will be built, owned, and operated by utilities in the member states. All risks due to uncertainties in construction, maintenance, and operating costs and load factors will be borne directly by these utilities. In the course of the negotiation it was determined that the economic risks associated today with the reactor fuel cycle must be minimized if participation by the European utility industry

is to be reasonably assured. To this end the United States, for a 10-year period of operation, will guarantee ceiling costs for the fabrication of the fuel elements required, as well as a fixed life for these elements.

3. A proposed research and development program established for a 10-year period will be centered on the improvement in the performance of the reactors involved in the program and the lowering of fuel cycle costs. During the first 5 years the financial contribution of the Community and the United States will amount to about \$50 million each, with the sum required for the second 5-year period to be determined at a later date.

4. Under the arrangements proposed the United States would sell to the Community a net quantity of 30,000 kilograms of contained U-235 in uranium to cover the fueling and other requirements of the program for such material over a 20-year operating period. The initial operating inventory, which amounts to approximately 9,000 kilograms of contained U-235, would be sold to the Community on a deferred payment basis. The balance of about 20,000 kilograms, which represents estimated burnup and process losses over the 20-year operating period, and 1,000 kilograms to provide for research and test reactors associated with the program, would be paid for on a current basis.

5. The U.S. Atomic Energy Commission will process in its facilities, at established U. S. domestic prices, spent fuel elements from the reactors to be included in the program.

6. With respect to any special nuclear material produced in reactors fueled with materials obtained from the United States under this joint program, which is in excess of the need of the Community for such material for the peaceful uses of atomic energy, the International Atomic Energy Agency would have the right of first option to purchase such material at the announced fuel value price in effect in the United States at the time of purchase. In the event this option is not exercised by the Agency, the United States would be prepared during the first 10 years of reactor operation to purchase such material at the U.S.-announced fuel value price in effect at the time of purchase.

7. Technological and economic data developed under the program would be made available to the industries within the Community and the United States under provisions designed to assure the widespread dissemination of the information developed in the course of the program.

8. Under the program the Community will assume responsibility for the establishment of a safeguards system which will be formulated in accordance with agreed-upon principles. This system will be designed to assure that the materials received from the United States, as well as special nuclear material produced therefrom, will be used for peaceful purposes only. The proposed agreement for cooperation with the Community provides for frequent consultation between parties on the operation of the system and that the Community will establish a mutually satisfactory safeguards system based on these principles. By exchange of letters both parties have agreed that the terms of the agreement include permission for verification, by mutually approved scientific methods, of the effectiveness of the safeguards and control systems applied

to nuclear materials received from the other party or derived therefrom in connection with the joint program. Continuation of the cooperative program will be contingent upon the Community's establishing and maintaining a mutually satisfactory safeguards system. The Community also has agreed to consult with the International Atomic Energy Agency to assure the development of a safeguards system reasonably compatible with that of the Agency. The agreement for cooperation, which has been negotiated, will contain all of the guaranties required by section 123 of the Atomic Energy Act of 1954, as amended. In addition, in the event of the establishment of an international safeguards and control system by the International Atomic Energy Agency, the United States and EURATOM will consult regarding assumption by that Agency of the safeguards and control over fissionable material utilized and produced in implementation of the joint program.

## **MESSAGE FROM THE PRESIDENT TO THE CONGRESS<sup>1</sup>**

### **Letter of Transmittal**

*To the Congress of the United States:*

I am transmitting today for approval by the Congress an international agreement between the Government of the United States and the European Atomic Energy Community which will be a first step toward mutually beneficial cooperation in the peaceful applications of atomic energy between this new European Community and the United States. The specific program which I am asking the Congress to consider and approve on an urgent basis is a joint undertaking by the United States and Euratom to foster the construction in Europe by 1963 of approximately 6 major nuclear power reactors which would produce about 1 million kilowatts of electricity.

This international agreement is being submitted pursuant to the provisions of sections 11 (L) and 124 of the Atomic Energy Act of 1954, as amended. The cooperation to be undertaken after approval of the international agreement will be pursuant to the terms and conditions of an agreement for cooperation entered into in accordance with section 123 of that act.

The elements which combine to make such a joint program possible are the same that led to the first great breakthrough in the development of atomic energy 15 years ago: the intimate association of European and American scientists and

close association between European and American engineers and industries. While the joint nuclear power program draws heavily on the history of atomic energy development there are important new elements which reflect the changing world scene.

The first is the changing face of Europe symbolized by the European Atomic Energy Community, which now takes its place beside the Coal and Steel Community and the European Economic Community (Common Market) in a further major step toward a united Europe. The inspiration of European statesmen which has now come to fruition in Euratom is the simple but profoundly important idea that through concentration of the scientific and industrial potentialities of the six countries it will be possible to develop a single major atomic energy complex, larger than the sum of the parts, and designed to exploit the peaceful potential of atomic energy. One motivation which has therefore led to the creation of this new Community is the growing sense of urgency on the part of Europeans that their destiny requires unity and that the road toward this unity is to be found in the development of major common programs such as Euratom makes possible. Another important motivation is the present and growing requirement of Europe for a new source of energy in the face of rapidly increasing requirements and the limited possibilities of increasing the indigenous supply of conventional fuels. The Europeans see atomic energy not merely as an alternative source of energy but as something which they must develop quickly if they are to continue their economic growth and exercise their rightful influence in world affairs. The success of this undertaking, therefore, is of vital importance to the United States, for the 160 million people on the Continent of Europe are crucial to North Atlantic strength.

It is therefore gratifying that the reactor research, development, testing, and construction program in the United States has progressed to the point that United States reactors of proven types are available and will be selected for commercial exploitation in the joint program of large-scale nuclear reactors.

The abundance of conventional fuel in the United States and hence our lower cost of electricity as contrasted with higher energy costs in

<sup>1</sup> H. Doc. 411, 85th Cong., 2d sess.



Europe means that it is possible for nuclear power reactors to produce economic electrical energy in Europe before it will be possible to do so in most parts of the United States.

The basic arrangements which have been worked out with Euratom are designed to take advantage of many favorable factors and circumstances. They promise to result in a program that will initially be of great benefit to Euratom and the United States, and thereafter to nations everywhere that choose to profit from Euratom's experience. American knowledge and industrial capacity will be joined with the scientific and industrial talents of Europe in an accelerated nuclear power program to meet Europe's presently urgent need for a new source of energy.

The plants to be built will be paid for and operated by the existing public and private utilities in the six countries; components will be manufactured by American and European industry. Through this association the basis will be laid for future mutually beneficial commercial collaboration in the atomic energy business. The major portion of the fund for the construction of the plants will come from European sources of capital. The United States, through the Export-Import Bank, is prepared to supplement these funds by making available to the new Community a long-term line of credit.

A central purpose of the proposed joint program is for Euratom and the United States Government to create an institutional and economic environment which will encourage the European utilities to embark quickly upon a large-scale nuclear power program. As this program goes forward, it will make possible significant progress in the development of atomic power elsewhere in the world.

The expectation that nuclear power will be economic rests on the inherent promise of achieving substantially lowered fuel costs which will more than compensate for the higher capital costs of nuclear plants. The principal immediate problem is to limit during this developmental phase the economic uncertainties connected with the burning of nuclear fuel in these reactors. To assist in meeting this problem the United States will provide certain special and limited guaranties and incentives to permit American fuel fabricators and the European utilities and industries

to enter into firm contractual arrangements with greater certainty as to the actual costs of nuclear energy from the reactors than is now possible.

Of major importance, the new European Community and the United States will establish a jointly financed research and development program, the purpose of which will be to improve the performance of these reactors and thus to further the economic feasibility of nuclear power. Information developed under the joint program will be made available to American and European industry for the general advancement of power reactor technology.

In addition to the international agreement submitted herewith, the necessary requests for congressional action required to carry out the program will be submitted shortly.

I believe that the initiation of this program of cooperation with Euratom represents a major step in the application of nuclear technology for the benefit of mankind.

The United States and Euratom have reaffirmed their dedication to the objectives of the International Atomic Energy Agency and intend that the results of this program will benefit the Agency and the nations participating in it. Consideration is now being given to ways in which the United States can work with the Agency in carrying forward its functions. A proposed agreement for cooperation with the International Atomic Energy Agency is now being negotiated and is under review by the Agency. This agreement provides principally for the transfer of the special nuclear material already offered to the Agency by the United States for certain services, such as chemical processing, and for the broad exchange of unclassified information in furtherance of the Agency's program.

In recognition of the importance of the joint United States-Euratom program, I must stress its urgency. It was only on the 1st of January of this year that the new Community came into being, determined to fulfill its obligation to create the conditions which will permit the earliest development of nuclear power on a major scale. The Community is determined, as are we, that the joint program should be initiated this year. I am sure that the Congress, having in mind the political and economic advantages which will accrue to us and our European friends from such a

joint endeavor, will wish to consider quickly and favorably the proposed program.

DWIGHT D. EISENHOWER

THE WHITE HOUSE, June 23, 1958.

### Text of Agreement

#### AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM)

WHEREAS the European Atomic Energy Community (Euratom) has been established by the Kingdom of Belgium, the Federal Republic of Germany, the French Republic, the Italian Republic, the Grand Duchy of Luxembourg, and the Kingdom of the Netherlands, in the Treaty of Rome signed on March 25, 1957, with the aim of contributing to the raising of the standard of living in Member States and to the development of commercial exchanges with other countries by the creation of conditions necessary for the speedy establishment and growth of nuclear industries;

WHEREAS the Government of the United States of America has instituted a program of international cooperation to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit;

WHEREAS the Government of the United States of America and the European Atomic Energy Community (Euratom) have expressed their mutual desire for close cooperation in the peaceful applications of atomic energy, and the European Atomic Energy Community (Euratom) intends to foster an extensive program which promises to redound to their common benefit;

WHEREAS an arrangement providing for cooperation in the peaceful applications of atomic energy would initiate a fruitful exchange of experience and technical development, open a new era for mutually beneficial action on both the governmental and industrial level, and reinforce solidarity within Europe and across the Atlantic;

The Parties agree as follows:

#### Article I

The Parties will cooperate in programs for the advancement of the peaceful applications of atomic energy. Such cooperation will be undertaken from time to time pursuant to such terms and conditions as may be agreed and shall be subject to all provisions of law respectively applicable to the Parties. Specifically it is understood that under existing law the cooperation extended by the Government of the United States of America will be undertaken pursuant to an Agreement for Cooperation entered into in accordance with Section 123 of the Atomic Energy Act of 1954, as amended.

#### Article II

As used in this Agreement, "Parties" means the Government of the United States of America and the European Atomic Energy Community (Euratom), acting through its Commission. "Party" means one of the Parties.

#### Article III

This Agreement shall enter into force on the day on which each Party shall have received from the other Party written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Agreement.

IN WITNESS WHEREOF, the undersigned representatives duly authorized thereto have signed this Agreement.

DONE at Brussels on May 29, 1958, and at Washington on June 18, 1958, in duplicate, in the English, French, German, Italian, and Netherlands languages, each language being equally authentic.

L. ARMAND  
ENRICO MEDI  
HEINZ L. KREKELER  
EMMANUEL SASSEN  
PAUL DE GROOTE

JOHN FOSTER DULLES  
LEWIS L. STRAUSS

For the Government of the United States of America:

JOHN FOSTER DULLES  
LEWIS L. STRAUSS

For the European Atomic Energy Community (EURATOM):

L. ARMAND  
ENRICO MEDI  
HEINZ L. KREKELER  
PAUL DE GROOTE  
EMMANUEL SASSEN

I CERTIFY THAT the foregoing is a true copy of the Agreement Between the Government of the United States of America and the European Atomic Energy Community (Euratom), signed at Brussels on May 29, 1958, and at Washington on June 18, 1958.

IN TESTIMONY WHEREOF, I, JOHN FOSTER DULLES, Secretary of State of the United States of America, have hereto caused the seal of the Department of State to be affixed and my name subscribed by the Acting Authentication Officer of the said Department, at the city of Washington, in the District of Columbia, this nineteenth day of June 1958.

[SEAL]

JOHN FOSTER DULLES,  
Secretary of State.

By PATTIE H. FIELD,  
Acting Authentication Officer,  
Department of State.

Department of State Bulletin

## MEMORANDUM OF UNDERSTANDING<sup>1</sup>

### Memorandum of Understanding Regarding the Joint Nuclear Power Program Proposed Between the European Atomic Energy Community (EURATOM) and the United States of America

The steps taken by the Member States of the European Atomic Energy Community (EURATOM) towards a united Europe and the consistent support of the United States for their efforts are an acknowledgment that, in a world being rapidly transformed by technical and political change, the problems our countries face call for increasing solidarity.

The Member States of EURATOM urgently need nuclear power to be in a position to meet future energy requirements and to assure continued economic progress.

Both EURATOM and the United States must carry through the nuclear revolution in industry with maximum speed and efficiency in order to remain in the forefront of progress and to open new horizons for further economic and social advance.

In order to achieve these objectives a large-scale joint development program of power reactors will be launched.

EURATOM will benefit by the experience and capacity which the United States can provide to make a quick start on such a program. This will in turn provide the United States with the opportunity to accelerate its own industrial development of nuclear power for peaceful purposes by associating itself with the program. Conventional energy is generally more costly in Europe than in the United States, so that nuclear power approaches the competitive range of energy costs in Europe, a stage which will be reached only later in the United States.

For these reasons, the Commission of the European Atomic Energy Community and the Government of the United States of America have agreed to this Memorandum of Understanding which outlines a joint United States-EURATOM development program of large-scale nuclear power reactors to be constructed in the European Atomic Energy Community in the next few years.

The aim of the joint program will be to bring into operation in the Community by 1963 about 1,000,000 electrical kilowatts of installed nuclear capacity in reactors of proven types developed in the United States, thus increasing substantially the total capacity envisaged by existing programs in the Member States. The program is consistent with, and in fact a point of departure towards, the program outlined in "A Target for EURATOM".<sup>2</sup>

<sup>1</sup> This document, developed by the joint United States-EURATOM working party and negotiated as a first step in reaching an understanding with respect to the proposed joint United States-EURATOM program, served as a basis for negotiations leading to the agreement for co-operation.

<sup>2</sup> Report submitted by Mr. Louis Armand, Mr. Franz Etzel and Mr. Francesco Giordani at the request of the Governments of Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands. [Footnote in original.]

It is understood that the establishment and initiation of the joint program is subject to appropriate statutory steps, including authorization by the competent bodies of the Community and of the Government of the United States.

The joint program will be conducted so as to obtain the maximum support of the industries of the Community and the United States; indeed, their active participation is indispensable to the success of the program.

It is the hope and expectation of the Commission and the Government of the United States that the proposed program will lead to further cooperation between the Community and the United States in other fields related to the peaceful uses of atomic energy.

They also see in the joint program a new type of co-operation among allies on a fully equal footing based on organic links forged by common effort, and holding out hopes of new steps for the further development of the Atlantic Community.

The Commission of the European Atomic Energy Community and the Government of the United States reaffirm their dedication to the objectives of the International Atomic Energy Agency and intend that the results of their program will benefit the Agency and the nations participating in it.

#### 1. OBJECTIVES

The objectives of the joint program will be:

A. To bring into operation by 1963, within the European Atomic Energy Community, large-scale power plants using nuclear reactors of proven types, on which research and development has been carried to an advanced stage in the United States, having a total installed capacity of approximately one million kilowatts of electricity and under conditions which would approach the competitive range of conventional energy costs in Europe.

B. To initiate immediately a joint research and development program centered on these types of reactors.

#### 2. SELECTION AND APPROVAL UNDER THE PROGRAM

Under the joint program, reactor projects may be proposed, constructed and operated by private or governmental organizations engaged in the power industry or in the nuclear energy field.

The Commission and the Government of the United States will establish jointly, technical standards and criteria (including those relating to radiation protection and reactor safety) and the procedures for selection and approval of reactor projects under this program.

In the evaluation and selection of such reactor projects, the technical and economic features will be considered and approved jointly by the Commission and the United States Government.

Other features of such reactor projects will be considered and approved by the Commission.

Reactors now being planned or constructed in Member States of the Community will be eligible for, and will receive, early consideration under the criteria established pursuant to this section.

It is intended to take and announce decisions on the above matters at the earliest practicable date.

### 3. CAPITAL COSTS

The total capital cost<sup>\*</sup> of the nuclear power plants with an installed capacity of approximately one million kilowatts of electricity to be constructed under the program is presently estimated not to exceed the equivalent of \$350,000,000 to be financed as follows:

A. Approximately \$250,000,000 to be provided by the participating utilities and other European sources of capital, such financing to be arranged with the appropriate assistance of EURATOM; and

B. Up to \$135,000,000 to be provided by the United States Government to EURATOM in the form of a long-term line of credit on terms and conditions to be agreed, such funds to be re-lent by EURATOM for the construction of facilities under this program.

### 4. FUEL CYCLES

The Commission and the Government of the United States will enter into special arrangements with respect to the fuel cycle for reactors to be constructed and operated under the proposed program according to the principles set forth in Attachment A to this memorandum.

### 5. CHEMICAL PROCESSING

The United States Atomic Energy Commission is prepared to process in its facilities, at established U.S. domestic prices, spent fuel elements from the reactors to be included in the present program. The United States Atomic Energy Commission agrees to assist in the development of chemical processing techniques in Europe by providing technical advice and assistance both to "Eurochemic" (which is to design and build a pilot plant at Mol, Belgium), and to the Community in the design and construction of future plants which the Community may decide to design and construct, or to sponsor.

### 6. RESEARCH AND DEVELOPMENT

A. The Commission and the Government of the United States intend to initiate promptly a joint program of research and development to be conducted both in the United States and in Europe on the types of reactors to be constructed under the proposed program.

This Research and Development program will be aimed primarily at the improvement in performance of these reactors, and at lowering fuel cycle costs.

It will also deal with plutonium recycling and other problems relevant to these reactors, thus contributing to the over-all advance of the nuclear power art.

The research and development program will be established for a ten (10) year period. During the first five (5) years the financial contribution of the Community and the United States will amount to about \$50,000,000 each. Prior to the completion of the first five-year pe-

riod, the Parties will determine the financial requirements for the remaining five-year period and will undertake to procure funds necessary to carry out the program. Funds for the second five-year period may be in the same order of magnitude.

The administration of this program will be conducted under mutually agreed arrangements.

B. In addition, both the Commission and the United States Atomic Energy Commission will push forward and extend their own research and development programs, either direct or sponsored, on all peaceful aspects of nuclear science and industry, in particular in such fields as advanced civilian reactor design, fuel technology, reactor operation, chemical processing, radioisotopes utilization, waste disposal, and public health.

Information resulting from such work outside of the joint program will be exchanged by the respective Commissions fully and promptly.

### 7. SPECIAL NUCLEAR AND OTHER MATERIALS

The Government of the United States will make available to the Community, as needed, enriched uranium for the nuclear power reactors to be included within the proposed program, in sufficient quantity to meet inventory and operating requirements for a twenty (20) year operating period.

The Government of the United States also will provide the Community special nuclear materials as may be agreed for research and development and the operation of research and test reactors associated with the proposed power program, in sufficient quantity to meet inventory and operating requirement for a twenty (20) year operating period. In addition, source material, special reactor material and other materials needed for carrying out the program will be provided under terms and conditions to be agreed upon.

### 8. AVAILABILITY OF INFORMATION

#### A. Nonpatentable information developed in joint program

1) The program contemplated by this Memorandum of Understanding, including projects selected for inclusion therein, should serve to benefit other projects and programs (both private and governmental) within the Community and the United States. Accordingly, under mutually agreed arrangements, all information developed in connection with the joint program of research and development, and all information developed in connection with the selected projects, concerning design, plans and specifications, construction costs, operations and economics, will be delivered currently to the Parties as developed and may be used, disseminated, or published by each Party for any and all purposes as it sees fit without further obligation or payment. There will be no discrimination in the dissemination or use of the information for the reason that the proposed recipient or user is a national of the United States or of any Member State of EURATOM.

2) Both Commissions shall have access to the records of the participating contractors pertaining to their participation in research and development projects under the joint research and development program, or pertaining

<sup>\*</sup>Exclusive of the fuel inventory. [Footnote in original.]



to the performance of fuel elements that are the subject of United States guarantees.

3) The Parties will further expedite prompt exchange of information through symposia, exchange of personnel, setting up of combined teams, and other methods as may be mutually agreed.

#### **B. Patentable Information**

As to any invention made or conceived in the course of or under the joint program of research and development:

1. The United States shall without further obligation or payment be entitled to assignment of the title and rights in and to the invention and the patent in the United States subject to a non-exclusive, irrevocable, and royalty-free license, with the right to grant sublicenses, to the Community for all purposes.

2. The Community shall without further obligation or payment be entitled to assignment of the title and rights in and to the invention and the patents in the Community subject to a non-exclusive, irrevocable, and royalty-free license, with the right to grant sublicenses, to the United States for all purposes.

3. With respect to title and rights in and to the invention and patents in third countries:

a. The Community, if the invention is made or conceived within the Community or the United States, if the invention is made or conceived within the United States, shall be entitled to assignment of such title and rights, subject to a non-exclusive, irrevocable, royalty-free license, with the right to grant sublicenses, to the other for all purposes.

b. If the invention is made or conceived elsewhere, the Party contracting for the work shall be entitled to assignment of such title and rights, subject to a non-exclusive, irrevocable, royalty-free license, with the right to grant sublicenses, to the other for all purposes.

C. As to inventions and patents under paragraph B of this article neither Party shall discriminate in the granting of any license or sublicense for the reason that the proposed licensee or sublicensee is a national of the United States or any Member State.

D. As to patents used in the work of the joint program, other than those under paragraph B, which the United States owns or as to which it has the right to grant licenses or sublicenses, the United States will agree to grant licenses or sublicenses, covering use either in or outside the joint program, on a non-discriminatory basis to a Member State and to industry of a Member State, if the Member State has agreed to grant licenses or sublicenses as to patents used in the work of the joint program which it owns or as to which it has the right to grant licenses or sublicenses, on a non-discriminatory basis to the United States and to industry of the United States, covering use either in or outside the joint program.

E. The respective contractual arrangements of the Parties with third parties shall contain provisions that will enable each Party to effectuate the foregoing provisions of B and C as to patentable information.

F. It is recognized that detailed procedures shall be jointly established to effectuate the foregoing provisions and that all situations not covered shall be settled by

mutual agreement governed by the basic principle of equivalent benefits to both Parties.

#### **9. TRAINING**

The Commission and the United States Atomic Energy Commission will work closely together to develop training programs to satisfy the requirements of the programs described in this memorandum. The United States Atomic Energy Commission will assist the Commission in satisfying these needs by making its facilities and experience available.

#### **10. COOPERATIVE ACTIVITIES IN INDUSTRY**

It is expected that the program to be initiated under the terms of this Memorandum of Understanding will increase the cooperation already existing between individuals and organizations, both privately and publicly owned, engaged in nuclear industry, in the United States and in the countries of the Community.

The Commission and the Government of the United States will use their best efforts to foster such cooperation.

#### **1. SAFEGUARDS AND CONTROLS**

Both EURATOM and the United States recognize the extreme importance of assuring that all activities under the joint program shall be directed solely toward the peaceful uses of atomic energy. In accord with this objective:

##### **A. EURATOM guarantees that:**

1. No material, including equipment and devices, transferred pursuant to the Agreement for Cooperation between the United States and the Community to the Community or to authorized persons within the Community will be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose;

2. No such material will be transferred to unauthorized persons or beyond the control of the Community, except as the United States might agree to such a transfer and then only if the transfer of the material is within the scope of an Agreement for Cooperation between the Government of the United States of America and another nation or group of nations;

3. No source or special nuclear material utilized in, recovered from, or produced as a result of the use of materials, equipment, or devices transferred pursuant to the Agreement for Cooperation between the United States and the Community to the Community or authorized persons within the Community will be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose;

4. The Community will establish and maintain a mutually satisfactory system of safeguards and controls, to be applied to materials, equipment, and devices subject to the guarantees set forth in paragraphs 1 through 3 above.

B. EURATOM undertakes the responsibility for establishing and implementing a safeguards and control system designed to give maximum assurance that any material, equipment, or devices made available pursuant to the

Agreement between the United States and EURATOM, and any source or special nuclear material derived from the use of such material, equipment or devices, shall be utilized solely for peaceful purposes. In establishing and implementing its safeguards and control system the Community is prepared to consult with and exchange experience with the International Atomic Energy Agency with the objective of establishing a system reasonably compatible with that of the International Atomic Energy Agency.

The United States and EURATOM will formulate and agree upon the principles which will govern the establishment and operation by EURATOM of a mutually satisfactory safeguards and control system under the Agreement for Cooperation between the United States and EURATOM. These principles are set forth in Attachment "B" and will be included in the text of the Agreement.

C. As has been requested by EURATOM, the United States will provide assistance in establishing the EURATOM safeguards and control system, and will provide continuing assistance in the operation of the system.

D. There will be frequent consultations and exchanges of visits between the Parties to give assurance to both Parties that the EURATOM safeguards and control system effectively meets the responsibility and principles stated in B above and that the standards of the materials accountability systems of the United States and EURATOM are kept reasonably comparable.

E. In recognition of the importance of the International Atomic Energy Agency, the United States of America and the European Atomic Energy Community will consult with each other from time to time to determine whether there are any areas of responsibility with regard to safeguards and control and matters relating to health and safety in which the Agency might be asked to assist.

F. A continuation of the cooperative program between the United States and EURATOM will be contingent upon EURATOM establishing and maintaining a mutually satisfactory and effective safeguards and control system which is in accord with the principles originally agreed upon.

#### 12. THIRD PARTY LIABILITY

The Community and the Government of the United States recognize that adequate measures to protect equipment manufacturers and other suppliers as well as the participating utilities against now uninsurable risk are necessary to the implementation of the joint program. The EURATOM Commission will seek to develop and to secure the adoption, by the earliest practicable date, of suitable measures which will provide adequate financial protection against third party liability. Such measures could involve suitable indemnification guarantees, national legislation, international convention, or a combination of such measures.

#### 13. TARIFFS

The Commission will take all action open to it under the Treaty to minimize the impact of customs duties on goods and products imported under this joint program.

#### 14. EXISTING AGREEMENTS

Existing agreements for cooperation in the field of nuclear energy between Member States and the United States of America are not modified by the joint program, but will be subject to appropriate negotiations pursuant to article 106 of the Treaty. Modifications may be made as necessary to permit transfers of reactor projects now contemplated under existing agreements that qualify for and are accepted under the joint program.

#### 15. ADMINISTRATION OF THE PROGRAM

In order to assure the initiation and effective execution of this program, agreement will be reached on the overall organization needed to establish and carry out the joint program, including the establishment of such joint groups as are required.

The Commission of the European Atomic Energy Community (EURATOM)

L. ARMAND  
H. L. KREKELER  
PAUL DE GROOTE  
ENRICO MEDI  
EMMANUEL SASSEN

The United States of America

JOHN FOSTER DULLES  
LEWIS L. STRAUSS

At Brussels on May 29, 1958, and at Washington on June 12, 1958.

#### Attachment "A": Principles for the Special Arrangements With Respect to the Fuel Cycles for Reactors To Be Constructed and Operated Under the Program

##### A. OBJECTIVE

The objective of the fuel cycle program is that arrangements for supplying fuel elements for the million kilowatt cooperative program will meet either criterion (1) or (2) below:

(1) The integrity of the stainless steel or zirconium clad fuel elements for light-water cooled and moderated reactors is guaranteed to an average irradiation level\* of 10,000 megawatt days per metric ton of contained uranium;† and the charge‡ for fabrication of fuel elements starting with uranium hexafluoride is:

(a) \$100 per kilogram of contained uranium for fuel elements made of uranium dioxide having a U-235 isotopic concentration no greater than 3% by weight, diameter between 0.25 and 0.50 inches, and stainless steel cladding; or

\* Average irradiation level will be based on a weight of fuel equivalent to the nominal fuel loading of the reactor. [Footnote in original.]

† Adjustments of the integrity guarantee may be required if cladding materials other than stainless steel or zirconium are used. [Footnote in original.]

‡ Fabrication charges will be subject to escalation on the basis of a mutually determined index. [Footnote in original.]

(b) \$140 per kilogram of contained uranium for similar fuel elements clad with zirconium cladding; or

(c) appropriately adjusted charges for fuel elements having different claddings or falling outside of the limitations on size, shape, or U-235 concentration.

*Note:* For each type of fuel element, there will be computed, as mutually agreed, "computed fuel cycle costs" based on guaranteed average irradiation levels and fabrication charges, and taking into account all charges for fuel fabrication, inventory, burnup, chemical reprocessing, and transportation and the credit for plutonium. If the irradiation level and fabrication charge used in this computation are those given in A (1), the computed fuel cycle cost is defined as the "standard fuel cycle cost".

(2) The irradiation level in the integrity guarantee and the fabrication charge for fuel elements differ from the values specified in (1), but the combination gives a computed fuel-cycle cost equal to or less than the standard fuel-cycle cost.

## **B. GUARANTEES**

1. Arrangements for supplying fuel elements that meet criterion (1) or (2) may be received from commercial sources but, in the event of failure of fuel elements, such arrangements may not sufficiently cover the extra costs of reprocessing and transporting irradiated fuel elements to meet the standard fuel-cycle cost. Under such conditions, the United States Commission will, for the purposes of prorating the chemical processing and/or transportation costs, offer to guarantee an average irradiation level, which, in combination with the guarantees offered by the manufacturer, would result in a computed fuel-cycle cost equal to the standard fuel-cycle cost. When such guarantees are made, if the average irradiation level actually attained is greater than the irradiation level guaranteed by the United States Commission, one-half of the resulting savings in costs of reprocessing and/or transporting irradiated fuel will be credited to the United States Commission, up to the sum of previous payments by the United States under this guarantee for the particular reactor concerned.

2. In the event that acceptable arrangements for supplying fuel elements meeting the criteria of A above are not received from commercial sources, the United States Commission will guarantee the fuel elements supplied under the following arrangements:

(a) If the fabrication charge guaranteed by the manufacturer is equal to or less than the value specified in A (1) above, the United States Commission will guarantee an average irradiation level which, when combined with this fabrication charge, will give a computed fuel-cycle cost equal to the standard fuel-cycle cost.

(b) If the average irradiation level guaranteed by the manufacturer is equal to or greater than the value specified in A (1) above, the United States Commission will guarantee a fabrication charge which, when combined with the average irradiation level in the manufacturer's integrity guarantee, will give a computed fuel-cycle cost equal to the standard fuel-cycle cost.

(c) If the average irradiation level is less and the fabrication charge is greater in the manufacturer's guarantee than in A (1) above, the United States Commission will offer to guarantee the values in A (1).

In cases (b) and (c) above, when the average irradiation level attained exceeds that guaranteed by the United States Commission, one-half of the resulting savings in fabrication costs will be credited to the United States Commission, up to the cost of payments by the United States Commission for fabrication charges for the particular core concerned.

If the average irradiation level does not meet that guaranteed in (a), (b), or (c) above, the United States Commission will adjust the charges for fabrication, chemical reprocessing, and transportation to the level that would have been incurred had that guarantee been met.

3. Fuel-element guarantees may also be developed for proven types of reactors other than light-water cooled and moderated, determined by the EURATOM Commission and the United States Commission to be eligible for consideration under the joint program.

4. The guarantees provided by the United States Commission under paragraphs 1, 2, or 3 of this section will be applicable to all loadings made in the reactor during ten years of operation or prior to December 31, 1973, whichever is earlier.

5. In determining whether a guaranteed average irradiation level has been attained, account will be taken not only of all material discharged because of actual failure of integrity, but also material whose discharge, in the joint opinion of the EURATOM Commission, the United States Commission, and the fabricator involved, was required for purposes of safe operation or economic operation (assuming for the latter determination that no guarantees were in force).

6. The technical and economic criteria under which proposals will be evaluated for acceptance will include minimum standards for fabrication charge and integrity guarantee for fuel elements. These criteria will also provide, as may be agreed, that subsequent reactor cores can be furnished by other than the initial fabricators.

7. In order to qualify for the guarantees by the United States Commission provided in paragraphs 1, 2, and 3 of this section, fuel elements must be fabricated by a United States manufacturer or by a manufacturer in EURATOM countries under agreement with a United States firm or firms. However, reactors under the joint program may be fueled with elements from other sources. In such cases, the United States Commission will offer to perform chemical reprocessing services at its published charges with respect to any source or special nuclear material obtained from the United States. If adequate facilities are not available in EURATOM countries when needed, the United States Commission will give sympathetic consideration to furnishing reprocessing services on material not furnished by the United States Commission.

8. The United States Commission guarantees will, in general, be extended to the utility through the fabricator of the fuel. In the event that it is determined by the

United States Commission that the fabricator is not meeting adequate performance standards, or, if it is mutually determined that a more advantageous source is available, other contractual arrangements will be made for supplying fuel elements under the guarantee.

#### **Attachment "B": Principles for Establishing the Safeguards and Control System Under the Agreement for Cooperation**

The principles which will govern the establishment and operation of the safeguards and control system are as follows:

The EURATOM Commission will:

1. Examine the design of equipment, devices and facilities, including nuclear reactors, and approve it for the purpose of assuring that it will not further any military purpose and that it will permit the effective application of safeguards, if such equipment, devices and facilities:

a. are made available pursuant to this Agreement; or  
b. use, process or fabricate any of the following materials received from the United States: source or special nuclear material, moderator material or any other material relevant to the effective application of safeguards; or

c. use any special nuclear material produced as the result of the use of equipment or material referred to in a and b.

2. Require the maintenance and production of operating records to assure accountability for source and special nuclear material made available or source or special nuclear material used, recovered, or produced as a result of the use of source or special nuclear material, moderator material or any other material relevant to the effective application of safeguards, or as a result of equipment, devices and facilities made available pursuant to this Agreement.

3. Require that progress reports be prepared and delivered to the EURATOM Commission with respect to projects utilizing material, equipment, devices and facilities referred to in paragraph 2 above.

4. Establish and require the deposit and storage, under continuing safeguards, in EURATOM facilities of any special nuclear material referred to in 2 above which is not currently being utilized for peaceful purposes in the Community or otherwise transferred as provided in the Agreement for Cooperation between the United States and the Community.

5. Establish an inspection organization which will have access at all times:

- a. to all places and data, and
- b. to any person, who by reason of his occupation deals

with materials, equipment, devices or facilities safeguarded under this Agreement,

necessary to assure accounting for source or special nuclear material subject to paragraph 2 and to determine whether there is compliance with the guarantees of the Community. The inspection organization will also be in a position to make and will make such independent measurements as are necessary to assure compliance with the provisions of this Attachment and the Agreement for Cooperation.\*

## **Congressional Documents Relating to Foreign Policy**

### **85th Congress, 2d Session**

Recommendations Adopted by the International Labor Conference at its Thirty-Eighth Session at Geneva. Letter from the Assistant Secretary of State transmitting the texts of ILO recommendations Nos. 99 and 100 adopted by the International Labor Conference at its thirty-eighth session, at Geneva, June 22, 1955, pursuant to article 19 of the constitution of the ILO. H. Doc. 385, May 20, 1958. 28 pp.

Departments of State, Justice, the Judiciary, and Related Agencies Appropriations, 1959. Hearings before the subcommittee of the Senate Committee on Appropriations on H. R. 12428. May 21-28, 1958. 787 pp.

Amendments to the Budget for Mutual Assistance Program, Fiscal Year 1959. Communication from the President of the United States transmitting amendments to the budget for the fiscal year 1959, involving an increase in the amount of \$8,000,000, for mutual assistance programs. H. Doc. 407, June 18, 1958. 2 pp.

Execution of Certain Leaders of the Recent Revolt in Hungary. Report to accompany S. Con. Res. 94. S. Rept. 1727, June 18, 1958. 4 pp.

World Science-Pan Pacific Exposition, Seattle, 1961. Report to accompany S. 3680. S. Rept. 1721, June 18, 1958. 6 pp.

Peaceful Exploration of Outer Space. Report to accompany H. Con. Res. 332. S. Rept. 1728, June 19, 1958. 3 pp.

Mutual Security Act of 1958. Conference report to accompany H. R. 12181. H. Rept. 1941, June 20, 1958. 31 pp.

\* It is the understanding of the Parties that the above principles applicable to the establishment of EURATOM's inspection and control system are compatible with and are based on Article XII of the Statute of the International Atomic Energy Agency, Chapter VII of the EURATOM Treaty, and those adopted by the Government of the United States of America in its comprehensive Agreements for Cooperation. [Footnote in original.]



## Highlights of the Mutual Security Program, July 1–December 31, 1957

### EXCERPTS FROM THE THIRTEENTH SEMIANNUAL REPORT TO CONGRESS<sup>1</sup>

#### PRESIDENT'S LETTER OF TRANSMITTAL

*To the Congress of the United States*

I am transmitting herewith the Thirteenth Semiannual Report on the operations of the Mutual Security Program for the period July 1 through December 31, 1957. This report was prepared by the Department of State, the Department of Defense, and the International Cooperation Administration.

Each element of the Mutual Security Program is essential to the security, the prosperity and the continued well-being of the United States.

The best and least expensive way to counter the threat of Sino-Soviet military forces is to take part in the collective defense of the free world. Collective strength, however, cannot be built out of individual weaknesses. All defense partners therefore must be strong.

Most funds for mutual security are used to help create defense strength—by providing weapons and training to those who need them and cannot otherwise obtain them. They also provide economic resources which help some of our partners to maintain needed defense forces without being crushed by the economic burden involved.

It is not enough, however, for the nations of the free world to be strong in their defenses. Strength, security, and justice are needed in other areas: in business and economic affairs; in political and social institutions; in opportunities for edu-

cation; and in the growth of individuals in mind and spirit. Above all there must exist, in every country, a conviction held by the overwhelming majority of its citizens that hopes and desires for a decent life can be realized and fulfilled.

This is the kind of world in which we want to live. This is the kind of world for which we are willing to work, through the Mutual Security Program and in other ways.

This 6-month report shows how the United States—working in cooperation with many other nations at many different jobs—is making a positive contribution to world-wide peace and progress.

DWIGHT D. EISENHOWER

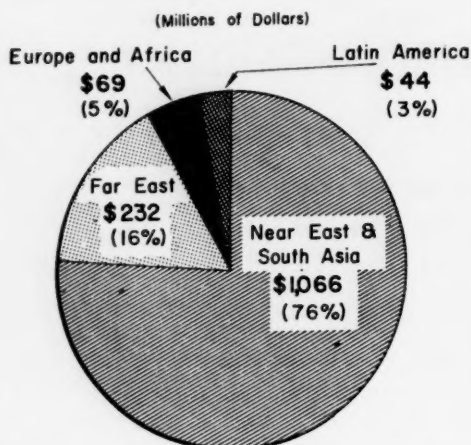
THE WHITE HOUSE,  
May 22, 1958

A number of important developments, involving both organization and operations, took place in the mutual security program during July–December 1957. The Development Loan Fund began to function as a new vehicle for financing economic development activities overseas. The responsibility for coordinating the military and economic aspects of mutual security was transferred to the Deputy Under Secretary of State for Economic Affairs in order to permit closer and more effective direction of the program from the standpoint of our foreign policy objectives. Additional steps were taken, particularly in connection with plans for nuclear and missile availability, to reinforce further the collective security systems upon which the safety of the United States and the whole free world is so heavily dependent. In the field of economic assistance, the less developed countries of the free world

<sup>1</sup> H. Doc. 368, 85th Cong., 2d sess.; transmitted on May 23. Reprinted here, in addition to the letter of transmittal, are excerpts from chapter I, entitled "Highlights of the Half-Year." Chapter II of the report is entitled "The Development Loan Fund"; chapter III deals with "Use of Fiscal Year 1958 Funds" and chapter IV with "Other Aspects of the Mutual Security Program."

## Development Loan Fund Applications

By Area, Through Mid-January 1958



Total: \$1,411 Million

were helped to start new development and technical cooperation projects which would speed their economic progress. Equally important were gains made in bringing to fruition programs which had been started in previous years and, along with these gains, the development of increasing capacity on the part of the less developed countries to assume administrative and financial responsibility for carrying on such programs in the coming years.

## MAJOR ORGANIZATIONAL CHANGES

### The Development Loan Fund

A major change in the organizational pattern of the mutual security program was brought about with the establishment of the Development Loan Fund in accordance with provisions of the mutual security legislation for fiscal year 1958. Set up to furnish loans for worthwhile economic development projects in less developed areas of the world, the fund also represents an effort to draw a clearer line between economic assistance intended solely for development purposes and

economic assistance designed to enable friendly countries to support the burden of their contribution to free world defense. The fund is not subject to the usual mutual security legislative limitations on the time allowed for obligating appropriated funds. Therefore, it can better concentrate on promoting long-term economic growth in recipient countries.

The fund has authority to make loans repayable in either dollars or foreign currencies, the latter usually being the currency of the borrowing country. The Development Loan Fund supplements investment from other public and private sources; it does not extend credit when other financing is available on reasonable terms. Many countries lack sufficient capacity to repay loans on normal banking terms from such institutions as the Export-Import Bank and the International Bank for Reconstruction and Development. Furthermore, some of the basic projects for development entail risks that conventional financial institutions are not prepared to take. . . .

### The Coordination Function

The other major organizational change during the period became effective on December 5, 1957, when the Secretary of State, under authority of an Executive Order, took the following steps: (a) vested coordinating responsibility for mutual security programs in the Deputy Under Secretary of State for Economic Affairs, (b) continued the operating responsibilities of the Director of the International Cooperation Administration for the major nonmilitary mutual security programs, and (c) assigned various responsibilities with respect to the Development Loan Fund to the Director of ICA.<sup>2</sup>

The Deputy Under Secretary of State, after consultation with the Assistant Secretary of Defense for International Security Affairs and the ICA Director, will develop and approve broad policies for the conduct of the mutual security program. He will also review annual programs submitted by the Department of Defense and ICA, approve the final program as submitted to the Bureau of the Budget, and insure that effective coordination has taken place between the Department of Defense, the International Cooperation Administration and the Department of State.

<sup>2</sup> BULLETIN of Dec. 23, 1957, p. 990.

This transfer of the coordinating function was intended to produce several advantages. By bringing the function close to the central policy direction of the Department of State, it is expected that integration of the various parts of the mutual security program, particularly in the planning stages, will be assured and that the program as a whole will be directly geared to related foreign policies. This intimate linking with foreign policy will also place the United States in a better position to deal with the factor of increasing Sino-Soviet Bloc economic and military aid to the economically less developed countries of the free world. Such aid had reached a total of nearly \$2 billion by the end of 1957. In addition to furnishing credits and grants to these countries, the Sino-Soviet Bloc has markedly stepped up its activities in technical assistance, trade, trade fairs, and cultural and scientific exchanges of all kinds.

## DEVELOPMENTS IN COLLECTIVE SECURITY

### North Atlantic Treaty Organization

The last 6 months of 1957 saw increasing cooperative activity in the North Atlantic Treaty Organization between the United States and its allies. The launching of the Soviet satellites and the evidence of considerable Soviet progress in missile development had made it all the more necessary for the alliance to draw closer together to meet Soviet technological gains and the increased threat to the free world.

Mr. Paul Henri Spaak paid his first visit to the United States in the fall of 1957 in his new capacity as NATO's secretary general. His visit coincided with that of British Prime Minister Macmillan, who arrived in October for talks with President Eisenhower.<sup>3</sup>

The discussions by President Eisenhower, Prime Minister Macmillan and Secretary General Spaak led to a NATO heads of government meeting at Paris in December. Important steps were taken at this December meeting for strengthening the NATO alliance. In response to the increased Soviet threat to free world security brought about by the fact that Soviet forces were being equipped

with the most modern and destructive weapons, the NATO members made the following decisions:

▶ To establish stocks of nuclear warheads which will be readily available for the defense of the alliance in case of need. The United States agreed to participate in a NATO atomic stockpile system which would place nuclear warheads, under United States custody, in close proximity to the nuclear-capable weapons furnished under the military assistance program. Such deployment would be in accordance with NATO defense planning and in agreement with the nations directly involved.

▶ To take the steps required to put intermediate range ballistic missiles at the disposal of the Supreme Allied Commander, Europe (SACEUR). The United States offered to make such missiles available to other NATO nations for deployment in accordance with SACEUR's plans. Nuclear warheads for these missiles would remain under United States custody as a part of the NATO atomic stockpile.

▶ To hold a military conference early in 1958 at the ministerial level to discuss progress made in obtaining as high a degree of standardization and integration as possible in all fields, particularly in certain aspects of air and naval defense, in logistic support, and in the composition and equipment of forces.

▶ To take further measures within NATO to promote coordination of research, development and manufacture of modern weapons, including intermediate range ballistic missiles.

▶ To study as a matter of urgency the best means of achieving coordinated production of advanced weapons needed by NATO forces. The United States, along with other countries with advanced programs, offered to share information on production techniques and research to stimulate effort in the defense production field.

To promote scientific and technical cooperation, it was also agreed to establish a science committee, composed of eminent scientists from all NATO countries, and to appoint a science adviser to the Secretary General of NATO.

As an additional means of strengthening the common defense, and to assure the fullest economic, cultural, and scientific development of the Atlantic community, it was agreed that meas-

<sup>3</sup> *Ibid.*, Nov. 11, 1957, p. 739.

ures should be taken to increase the supply of trained men in various branches of science and to achieve a greater pooling of efforts and information in this field.<sup>4</sup>

#### SEATO

Further steps were taken during July–December 1957 to develop the programs approved at the third annual council meeting of the Southeast Asia Treaty Organization, held in March 1957 at Canberra, Australia.<sup>5</sup> Member governments nominated additional international staff personnel who have now taken up their posts. The office of the secretary general went into operation, and benefits in efficiency and coordination have already been evident.

A major SEATO combined military exercise was held in the Philippines during the period, helping to improve coordination among the armed forces of the SEATO nations. This exercise was to be followed by others as provided for in the training schedule approved by the military advisers at Bangkok in September 1957.

#### Other Developments in Collective Security

In the Baghdad Pact organization, the combined military planning staff, which was established as an outgrowth of the meeting of the Ministerial Council in June 1957, carried out a number of planning studies for consideration by the pact's military committee in January 1958. Preparations also were made for the important meeting of the council at Ankara, Turkey, in January 1958 to review means for obtaining closer coordination in the organization's affairs.

During the half-year, the United States supplied Libya with the major portion of the arms, equipment, and ammunition agreed upon under arrangements made in June 1956. The materiel consisted of transportation and communication items, 105-mm. howitzers, 60-mm. mortars, rifles, ammunition, and various small equipment items. This materiel would help equip an additional 1,000 men for the Libyan Army. A United States

Military Assistance Advisory Group was established in Libya during the period.

Under the terms of an agreement of November 4, 1957, Tunisia became eligible to purchase equipment, materials, and services under the Mutual Security Act of 1954, as amended. This step was followed by delivery on November 15 of 500 rifles and 50,000 rounds of ammunition purchased by the Government of Tunisia for the Tunisian Army.

In response to a request from the Government of Jordan for military assistance, the United States Government agreed to provide that nation with military goods and services. A substantial part of the goods had been delivered by the end of the period under review.

The United States military assistance program of grant aid to Yugoslavia was terminated in December 1957 by mutual agreement of the two governments. Yugoslavia remains eligible to purchase military equipment from the United States.

Continuing progress was made in military aid activities under way in other countries of the free world. These activities encompassed a variety of programs: furnishing needed military items which the countries could not otherwise provide for themselves; training their armed forces in effective utilization of such military items; helping to establish self-sufficient national training programs; and raising the skill of military personnel in operating modern equipment.

#### ECONOMIC ASSISTANCE

The Development Loan Fund is now a primary vehicle for assisting friendly countries in their programs of economic development. Countries to which we are giving military assistance in the interest of our common defense, however, frequently need economic assistance to enable them to carry the burden of their contribution to free world military strength. Economic assistance with this objective is called defense support. Many of the economic aid projects and programs discussed below are for defense support.

#### Progress in Going Programs

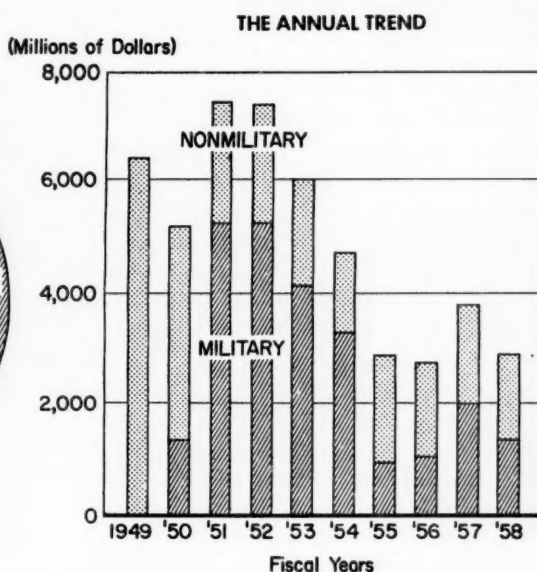
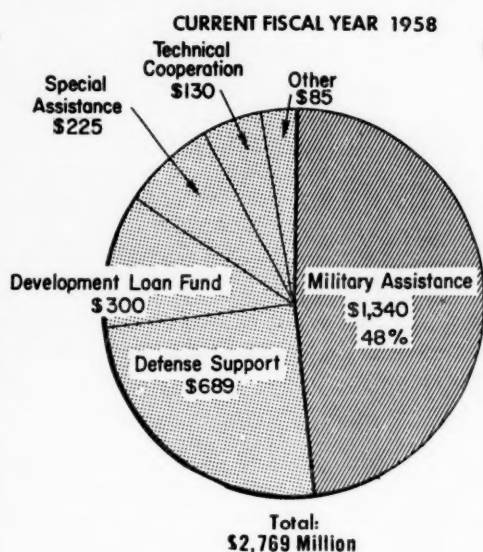
*Hwachon Power Project in South Korea Completed*—In November 1957, the cooperative project for the rehabilitation and expansion of the

<sup>4</sup> For text of declaration and communique dated Dec. 19, 1957, see *ibid.*, Jan. 6, 1958, p. 12.

<sup>5</sup> *Ibid.*, Apr. 1, 1957, p. 527.



## Appropriations For Mutual Security



Hwachon Dam and hydroelectric power plant was completed. This represented a major step in the progress of the United States program for South Korea. The project is symbolic of our dual purpose of helping the Republic of Korea to recover from the havoc of the Communist invasion and at the same time to build up its own economic capabilities in order to reduce its dependence on external aid. Such aid is now necessary to enable this important free world partner to make its contribution to the common defense.

With a capacity of 81,000 kilowatts, Hwachon, the Republic of Korea's largest single electric power plant, represents almost one-fourth of the nation's total capacity of 336,000 kilowatts. . . .

**Power Project in Turkey Brought Into Operation**—The Sariyar hydroelectric power project, located about 50 miles west of Ankara, is now providing much needed electrical energy over a radius which includes the industrially concentrated areas of Istanbul and Ankara. The United States contributed about \$10 million to the total cost of this project, and the Turkish Government met local currency costs equivalent to \$80 million. Designed to increase electric power facilities to meet the growing industrial requirements in northwestern

Anatolia, the joint project included construction of a dam and of diversion and power tunnels; installation of two 40,000 kilowatt power generating units; erection of power transmission systems connecting Sariyar with Ankara, Istanbul and Karabuk; and training of Turkish engineers. The project is now completely under Turkish management.

**United States Highway Assistance to Turkey Draws to a Close**—Turkey is now ready to carry on its highway improvement program unassisted. The last group of American public roads advisors to the Government of Turkey will be withdrawn in 1958. With United States aid, Turkey has been able to establish a highway system of more than 17,000 miles; train 5,000 equipment operators; build more than 10 miles of bridges; and set up 55 maintenance shops. These accomplishments have helped bring about a reduction of 63 percent in unit freight costs in Turkey and have drastically reduced motor travel time. In a very real sense, the highway improvement program has opened up formerly isolated areas in the interior of Turkey to the benefits of modern commerce. The program will also contribute to Turkey's defensive strength.

*Taiwan's Manufacturing Capacity Expanded*—Three important accomplishments during the half-year added measurably to Taiwan's ability to manufacture products vital to its economic progress. Construction of a cement plant at Chia Hsin in southern Taiwan was completed in December. This plant has an annual production capacity of 100,000 metric tons of portland cement. All raw materials used by it, except gypsum, are produced locally. At Chutung in northwestern Taiwan, the annual production capacity of another cement plant was increased by 100,000 metric tons. These projects will support other civilian development projects in hydroelectric power and irrigation as well as aid in Taiwan's military construction program. The United States contributed about half of the \$4.4 million cost of the Chia Hsin plant and \$1 million of the \$1.4 million cost of expanding the Chutung plant.

At the end of the year, a new fertilizer plant at Kaohsiung was operating at 90 percent of its capacity for producing annually 35,500 tons of nitro-phosphatic fertilizer. This amount would provide about 15 percent of Taiwan's requirements of phosphatic fertilizer and would yield an annual saving in foreign exchange of some \$750,000. With most of Taiwan's available arable land already under cultivation and an annual growth in population of more than 3 percent, chemical fertilizers are important for achieving vitally needed increases per acre in production of food and other crops. Of the total cost of about \$3 million for this project, the United States financed \$2.1 million, of which one-third was in local currency. The Taiwan Fertilizer Company, a government corporation which is operating the plant, contributed the equivalent of \$900,000 in local currency.

#### **New Cooperative Programs Started**

*Utilizing Burma's Line of Credit*—The United States and Burma signed agreements in December for the first two projects to be carried out under the \$25 million line of credit which the United States extended to Burma in fiscal year 1957. One of these projects will restore more than 1 million acres of land to cultivation in the delta area of the Irawaddy River. Another 1 million acres

in the same area, now in production, will be protected from periodic floods. Completion of this project will enable more than a half million farmers to return to the land. About \$5 million will be drawn from the United States loan; Burma will provide local currency equivalent to about \$20 million. The United States funds will finance the purchase of moving, grading, and dredging equipment for work on embankment and drainage canals. Other equipment will be supplied to clear the land and to aid in its cultivation.

The second project under the \$25 million line-of-credit will use \$690,000 for mechanical equipment to assist Burma in modernizing extraction operations in its important teak timber industry.

*Encouraging Small Business in Africa*—Efforts are being made under the mutual security program to encourage expansion of small business enterprises in many parts of Africa where there is a vital need for greater participation of the local people in retail and wholesale trade, and in the service and processing industries. An agreement between the United States and the Tunisian Governments was reached in December 1957 to establish a Small Industrial Loan Fund within the new Tunisian Development Bank in order to make credit available at moderate interest rates to small business enterprises. The fund will be financed by allocating \$3 million in counterpart funds acquired from the sale in Tunisia of ICA-financed imported commodities.

A similar program of small-industry financing is under consideration by officials of the Liberian Government, based on a special survey of the problem prepared by ICA contract consultants. To finance part of the initial stages of the program, the Liberian Government has applied for assistance from the Development Loan Fund. United States technical advice, guidance, and training possibly would be extended in this and related fields of small-business development. The needs and possibilities of such a program are being explored with Liberian officials by the industrial advisor recently assigned to the ICA mission.

In Somalia, scheduled to achieve its independence in 1960, ICA was requested to provide agricultural and industrial advisers to assist the

Somalian Government small-loan fund which was originally established through Italian grant aid.

It should be borne in mind that the largest portion of the funds appropriated for all types of economic assistance has been used for purposes which are not directly related to particular development projects. Large quantities of foods and fibers, including United States surplus agricultural commodities, as well as industrial raw materials and fuels are furnished countries to help meet needs which are not covered by specific projects. Commodities provided for such needs are used to fulfill essential consumption requirements, to combat serious inflationary forces which impede program objectives, and to help compensate for the lack of foreign exchange. The sale of these commodities in the markets of the recipient countries enables the host governments to acquire local currencies which they use to finance their economic as well as defense programs.

ICA expenditures during July-December 1957 for commodity assistance not related to specific development projects were about 75 percent of the agency's total expenditures. The current trend, however, is toward proportionately more project-type aid. This trend is likely to be accelerated as obligation of the resources of the Development Loan Fund becomes an important part of the total commitments for economic assistance.

#### TECHNICAL COOPERATION HIGHLIGHTS

During July-December 1957, hundreds of technical cooperation projects were being carried forward in more than 50 countries. Each project was designed to bring some particularly needed know-how to help people in the less developed areas of the free world advance along the road to economic development. At the end of 1957, 4,951 American technicians were engaged overseas in this work. Of this number, 2,880 were directly employed by ICA; the remaining 2,071 were working under ICA-financed contracts with American universities, private firms and other institutions. Meanwhile, during the period under review, 2,873 technical personnel from cooperating countries were brought to the United States or other appropriate locations for training in a variety of fields.

The activities which make up the technical cooperation program are as varied as the problems which the people in less developed countries must overcome in their effort to achieve effective economic progress. . . .

### TREATY INFORMATION

#### Current Actions

##### MULTILATERAL

###### Aviation

Agreement on joint financing of certain air navigation services in Greenland and the Faroe Islands. Done at Geneva September 25, 1956.

*Acceptance deposited:* Netherlands, June 6, 1958.

*Entered into force:* June 6, 1958.

Agreement on joint financing of certain air navigation services in Iceland. Done at Geneva September 25, 1956.

*Acceptance deposited:* Netherlands, June 6, 1958.

*Entered into force:* June 6, 1958.

##### BILATERAL

###### Afghanistan

Agreement concerning cultural relations. Effected by exchange of notes at Washington June 26, 1958. Entered into force June 26, 1958.

###### Canada

Agreement relating to the establishment, maintenance, and operation by the United States of aerial refueling facilities in Canada. Effected by exchange of notes at Ottawa June 20, 1958. Entered into force June 20, 1958.

###### Denmark

Agreement amending research reactor agreement concerning civil uses of atomic energy of July 25, 1955, as amended (TIAS 3309 and 3758). Signed at Washington June 26, 1958. Enters into force on date on which each government receives from the other written notification that it has complied with statutory and constitutional requirements.

###### Ecuador

Agreement providing financial assistance to Ecuador. Effected by exchange of notes at Washington June 27, 1958. Entered into force June 27, 1958.

###### Poland

Agreement amending the agricultural commodities agreement of February 15, 1958 (TIAS 3991). Effected by exchange of notes at Washington June 6, 1958. Entered into force June 6, 1958.

###### Yugoslavia

Agreement concerning the reciprocal recognition of tonnage certificates. Effected by exchange of notes at Washington June 12 and 16, 1958. Entered into force June 16, 1958.

## U.N. Security Council Sends Observation Group to Lebanon

*The U.N. Security Council met on June 6 to consider a Lebanese complaint "in respect of a situation arising from the intervention of the United Arab Republic in the internal affairs of Lebanon, the continuance of which is likely to endanger the maintenance of international peace and security" (U.N. doc. S/4007). Following are four U.S. statements made during the debate, three by Henry Cabot Lodge, U.S. Representative to the United Nations, and one by James W. Barco, Deputy U.S. Representative, together with the text of a resolution adopted by the Council on June 11.*

### STATEMENT BY MR. BARCO, JUNE 6

U.S./U.N. press release 2937

We have heard in considerable detail, from its distinguished Foreign Minister, Lebanon's complaint against the United Arab Republic and the reply of the distinguished representative of the United Arab Republic.

We must note the statement of the representative of the United Arab Republic that his Government has no intention to intervene in Lebanon's domestic affairs or to threaten Lebanon's integrity. But, Mr. President, the charges presented by the Foreign Minister of Lebanon—that is, external radio broadcasting inciting to revolt, the movement of armed men across Lebanon's borders, and the supply of arms from outside—these charges are very serious charges and are gravely disturbing.

Members of the Council are surely obliged to consider this situation with the greatest care in the light of the evidence and the arguments we have heard today. The evidence adduced by the distinguished Foreign Minister of Lebanon to back his charges is, to us, very impressive.

I therefore support the suggestion of the distinguished representative of Iraq that we meet again to consider this question on Tuesday. In the meantime, the United States urges that every

step be taken by all concerned—and I repeat by all concerned—to maintain respect for the independence and the integrity of Lebanon and to prevent any actions or developments inconsistent with this objective. We very much hope that this will be the case.

### FIRST STATEMENT BY MR. LODGE, JUNE 10

U.S./U.N. press release 2939

In the light of the facts which have been adduced before the Security Council, the United States announces its support of the resolution introduced by the representative of Sweden. The most constructive thing the Security Council can do would be to get United Nations representatives to the borders of Lebanon to assure that no activities of the nature complained about by the representative of Lebanon are carried on.

The representative of Lebanon has conveyed the urgency of the situation in his country. The Swedish resolution is a useful attempt to meet this pressing issue. Its terms are simple and clear. It would, we think, be altogether fitting for the Security Council to remain in session and pass this resolution tonight.

Mr. President, I reserve my right to speak more extensively in the near future.

### SECOND STATEMENT BY MR. LODGE, JUNE 10

U.S./U.N. press release 2940

The United States Government has listened to and carefully examined the statements both of the Foreign Minister of Lebanon and of the representative of the United Arab Republic.

The conclusion is clear that there has been outside interference in the internal affairs of the Republic of Lebanon and that this interference has been designed to promote civil strife and to impede the efforts of the constituted authorities to restore order and tranquillity, and that the interference has occurred from the territory and via the facilities of the United Arab Republic.



This statement is made with regret. First, because this situation has fomented violence and bloodshed in the peaceful state of Lebanon, a country whose people have by their tradition clearly revealed their desire to live at peace with their neighbors. Secondly, we regret it because the United States desires good relations with all states in the Middle East, including the United Arab Republic, and deplores the creation of circumstances which obstruct such relations.

This situation, backed by the evidence presented by the representative of Lebanon, is grave indeed. The Security Council cannot ignore it. Fundamental questions concerning the responsibilities both of members of the United Nations and of the organization itself are involved.

A cardinal principle of the United Nations is the injunction on all members contained in article 2, paragraph 4, of the charter to "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations." The Security Council and the General Assembly, over the past dozen years, have on many occasions considered complaints involving this essential charter principle of nonintervention.

Recognizing the universal significance of this issue the General Assembly, on December 1, 1949, adopted by an overwhelming majority resolution 290 (IV) entitled "Essentials of Peace."<sup>1</sup> Directly pertinent to our discussions today is the provision calling upon every nation "to refrain from threatening or using force contrary to the Charter" and "to refrain from any threats or acts, direct or indirect, aimed at impairing the freedom, independence or integrity of any state, or at fomenting civil strife and subverting the will of the people in any state."

The United Nations also must be particularly alert in protecting the security and integrity of small states from interference by those whose resources and power are larger. This principle should be supported regardless of who the offender may be. The protection of the less strong was, indeed, one of the main reasons why the United Nations was established, and it was in 1956 that Egypt herself benefited from this fact.

Most of the members of the United Nations are,

like Lebanon, small powers. Anything that affects one of their number must certainly be of general concern to all of them. If the idea is ever sanctioned here that large states, simply because they are large, can interfere with impunity in the internal affairs of small states, simply because they are small, we will have given our blessing to the doctrine that might makes right and the United Nations will have ceased to be a respectable organization.

The record of the United States in the United Nations in defense of the territorial integrity and political independence of states is consistent and clear. We supported fully United Nations action in defense of the territorial integrity of Egypt in 1956. Now, having in mind the same charter principles, the United States Government is concerned about the present situation in Lebanon. There should be no doubt of the firm determination of the United States to continue to support the integrity and independence of that country.

Lebanon has over the past 13 years played a distinguished role in working for the cause of peace in the United Nations. Its leading statesmen have devoted themselves to the purposes and principles of the charter. The policies of its Government have been helpful in reducing tensions in a part of the world where tensions are only too common.

The people of the United States feel a particularly deep sympathy for the peoples of Lebanon, not only because of their country's record in international affairs but also for the close and intimate ties that have long existed between the two. This warm friendship has its basis in common ideals of democracy. It has found its expression in extensive cultural and social cooperation. It reflects common beliefs and objectives.

The representative of the United Arab Republic has quoted extensively from political sources within Lebanon who are opposed to the present government. Political opposition in a democracy is natural, indeed essential, as a basis for the free determination of the country's destiny by its citizens. It is something of which Lebanon can be proud.

The fact that this opposition exists, or that it feels strongly about its ideals is, however, no justification whatever for external attacks, whether by radio or by other controlled media, upon the government in office, for external demands that it

<sup>1</sup> For text, see BULLETIN of Nov. 28, 1949, p. 807.

resign, or for external support and assistance to those not in office.

Lebanon has already demonstrated its ability to govern itself through modern, liberal traditions. It will surely continue to do so if others do not exploit normal differences of opinion for purposes of their own.

The United States has noted with interest the statements made by the representative of the United Arab Republic that his Government hopes Lebanon "will continue to be independent" and that it wishes "for the prosperity, well-being and peace of the Lebanese people," that the United Arab Republic "categorically rejects" the complaint that there has been "an intervention of the United Arab Republic in the affairs of Lebanon," and that the United Arab Republic is "always prepared to cooperate with the United Nations and to settle our disputes within the framework of the charter."

In view of these statements the United States assumes that the Government of the United Arab Republic will take all possible measures to insure that efforts to uphold the authority of the legally constituted Government of Lebanon and to reestablish law and order are not obstructed by activities based on the territory or by means of facilities of the United Arab Republic.

The United States Government hopes that the Security Council will help to bring about an end to interference by the United Arab Republic in Lebanon. We hope the views of members of the Council will be received with respect and that they will produce prompt results.

Before I conclude, let me say just one brief word about the statement made by the Soviet representative. The Soviet strictures against the United States are so standardized that it would be a waste of time to demonstrate their absurdity. And this is one night, Mr. President, in our history when we must not waste time. Yet instead of joining forces with us to do something quick and helpful, the Soviet representative seems to be looking for reasons not to do something. We hope this turns out not to be the case.

I say this because current reports just reaching me from Beirut show that the situation is increasingly critical and that the infiltrations from Syria are growing. A press report just brought to me indicates that two major battles are in progress. One is in the Ain Zahalta area, where armed bands are seeking to cut the major high-

way leading from Beirut. Another battle is going on in the outskirts of Tripoli. In both battles artillery is being used against the Lebanese forces.

Under these circumstances it would be preposterous and dangerous to sit here solemnly and, to paraphrase a well-known saying, quibble while Rome burns. The need is for something practical and that something is the Swedish resolution. It encroaches on nobody. It is consistent with the charter. It could yet stop the attempts to subvert a gallant little country.

Mr. President, we urge the Council to take quick and decisive action.

#### STATEMENT BY MR. LODGE, JUNE 11

U.S./U.N. press release 2041

The United States is gratified by the action of the Security Council today.

First, we adopted the Swedish resolution, which is a practical step toward peace. We trust that our esteemed Secretary-General will act with his accustomed speed and will have someone in Lebanon within 24 hours.

Then, in addition to the resolution, 10 speeches were made in the Council, 10 speeches which reflected the regard which members of the Council felt for the merit of the statements made by the representative of Lebanon.

Both the speeches and the resolution are responsible, constructive actions for which we think the Security Council is entitled to congratulations.

#### TEXT OF RESOLUTION<sup>1</sup>

U.N. doc. S/4023

*The Security Council,*

*Having heard the charges of the representative of Lebanon concerning interference by the United Arab Republic in the internal affairs of Lebanon and the reply of the representative of the United Arab Republic,*

*Decides to dispatch urgently an observation group to proceed to Lebanon so as to ensure that there is no illegal infiltration of personnel or supply of arms or other materiel across the Lebanese borders;*

*Authorizes the Secretary-General to take the necessary steps to that end;*

*Requests the observation group to keep the Security Council currently informed through the Secretary-General.*

<sup>1</sup> Adopted on June 11 by a vote of 10 to 0; the U.S.S.R. abstained.

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340	6/23	Libya credentials (rewrite).
341	6/23	Argentina credentials (rewrite).
*342	6/23	Educational exchange.
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344	6/23	Loan to Greece.
345	6/23	U.S.-EURATOM program.
346	6/23	DLF loan to India.
347	6/23	Dulles: Canadian TV interview.
348	6/24	DLF loan to Ceylon (rewrite).
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353	6/25	U.S. participants in Geneva meeting.
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355	6/26	Steps to procure release of helicopter crew in East Germany.
356	6/26	Letter to Gromyko on Geneva meeting.
†357	6/26	Cultural agreement with Afghanistan.
*358	6/26	Itinerary for Afghan Prime Minister.
†359	6/26	Dulles and Daud: remarks on signing of cultural agreement.
360	6/27	Loan to Ecuador for Inter-American Conference.
†361	6/27	Visit of Shah of Iran.
362	6/27	Wheat to Lebanon.

\*Not printed.

†Held for a later issue of the BULLETIN.

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